

0-88-12-43

Proposed Ordinance No. _____

Specie ORDINANCE NO. 0-04-89

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF \$1,544,000.00 ECONOMIC DEVELOPMENT REVENUE BONDS OF THE CITY OF FORT WAYNE, INDIANA, FOR THE PURPOSE OF MAKING A LOAN TO WARD PATTERN & ENGINEERING, INC. IN ORDER TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN ECONOMIC DEVELOPMENT FACILITIES LOCATED IN FORT WAYNE; AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT; AUTHORIZING AN INDENTURE OF TRUST APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF THE REVENUES FROM THE LOAN AGREEMENT; AND AUTHORIZING THE OTHER TERMS AND SALE OF SAID BONDS

WHEREAS, The City of Fort Wayne, Indiana (hereinafter called the "City") is a municipal corporation and political subdivision of the State of Indiana and by virtue of IC 36-7-12 as amended (hereinafter called the "Act") is authorized and empowered to adopt this ordinance (the "Bond Ordinance") and to carry out its provisions; and

WHEREAS, Ward Pattern & Engineering, Inc. (the "Developer") is an Indiana corporation located in Fort Wayne, Indiana; and

WHEREAS, the Developer has agreed to acquire and construct economic development facilities in the City if the City will finance a portion of the cost of such acquisition and construction;

WHEREAS, the Fort Wayne Economic Development Commission has performed all action required of it by the Act preliminary to the adoption of this Bond Ordinance and has approved and forwarded to this Common Council the forms of (1) Indenture of Trust (the "Indenture") between the City and Lincoln National Bank & Trust company, Fort Wayne, Indiana, as Trustee under the Indenture (the "Trustee"), setting forth forms of economic development revenue bonds (2) Loan Agreement (the "Loan Agreement") between the City and the Developer, and (3) this Bond Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA AS FOLLOWS:

Section 1. Findings; Public Benefits. The Common Council of the City hereby finds and determines that the machinery and equipment and related facilities (the "Project") to be acquired and constructed with the proceeds of the Economic Development Revenue Bonds herein authorized are "economic development facilities" as that phrase is used in the Act; that acquisition and construction of the Project by the Developer will increase employment opportunities and increase diversification of economic development facilities in and near the City, will improve and promote the economic stability, development and welfare of the area in and near the City and will encourage and promote the expansion of industry, trade, and commerce in the area in and near the City and the location of other new industries in the area; and that the public benefits to be accomplished by this Bond Ordinance, in tending to overcome insufficient employment opportunities and insufficient diversification of industry, are greater than the cost of public services (as that phrase is defined in the Act) which will be required by the Project.

Section 2. Authorization of Economic Development Revenue Bonds. In order to pay a portion of the cost of acquiring and constructing the Project, there are hereby authorized to be issued, sold and delivered \$1,544,000.00 aggregate principal amount of Economic Development Revenue Bonds, (Ward Pattern & Engineering, Inc. Project) of the City (the "Bonds"). The Bonds will be issued in one Series. Series 1989A shall be in an amount of \$1,544,000.00 and the proceeds of this Series will be used to acquire, construct, reconstruct and improve the Project. Any additional costs of the Project will be paid for by the Developer unless paid for with the proceeds of additional bonds.

Section 3. Terms for the Bonds. The total principal amount of Series 1989A Bonds that may be issued is hereby expressly limited to \$1,544,000.00.

The Series 1989A Bonds shall be executed, shall be in such form, shall have such redemption provisions, and shall be subject to such other terms and conditions as set forth in the Indenture. The Bonds and the interest thereon do not and shall never constitute an indebtedness of or a charge against the general credit or taxing power of the City, but shall be limited obligations of the City, payable solely from revenue and other amounts derived from the Loan Agreement and shall be secured as provided in the Indenture. Two copies of the Loan Agreement and Indenture are before this meeting and are by this reference incorporated in this Bond Ordinance, and the City Clerk is hereby directed to insert them into the minutes of the Common Council and to keep them on file.

Section 4. Sale of the Bonds. The Mayor, City Clerk and City Controller of the City are hereby authorized and directed to sell the Bonds to or upon the order of Lincoln National Bank & Trust Company, at a price of \$1,544,000.00 plus accrued interest to the date of delivery and payment, pursuant to a bond purchase agreement which is hereby approved in all respects.

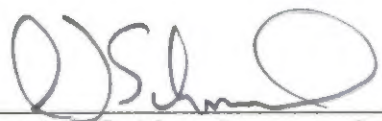
Section 5. Indenture. In order to secure the payment of the principal of and interest on the Bonds, the Mayor and the City Clerk shall execute, acknowledge and deliver, in the name and on behalf of the City, an Indenture of Trust, dated as set forth in the Indenture of Trust, in substantially the form submitted to this Common Council, which is hereby approved in all respects.

Section 6. Loan Agreement. In order to provide for the loan of the proceeds of the Bonds to acquire and construct the Project, the Mayor and the City Clerk shall execute, acknowledge and deliver in the name and on behalf of the city a Loan Agreement, dated as set forth in the Loan Agreement, in substantially the form submitted to this Common Council, which is hereby approved in all respects.

Section 7. General. The Mayor, City Clerk and City Controller be and they are hereby authorized and directed, in the name and on behalf of the City, to execute any and all instruments including any security agreements or assignments thereof, perform any and all acts, approve any and all matters, and do any and all things deemed by them, or any of them, to be necessary or desirable in order to carry out the purposes of this Bond Ordinance (including the preambles hereto), including without limitation, execution of the certificates to evidence the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code and execution of closing certificates.

Section 8. Effective Date. This Bond Ordinance shall be in full force and effect immediately upon its adoption by the Common Council and approval by the Mayor.

Passed in Open Council this 10th day of January, 1988.



President of the Common Council

ATTEST:

Sandra Kennedy, City-Clerk

Presented by me to the Mayor this _____ day of _____
_____, 1988.

Sandra Kennedy, City-Clerk

Approved this _____ day of _____, 1988.

W. Paul Helmke, Mayor

ATTEST:

Sandra Kennedy, City-Clerk

Approved as to Form and Legality:



David Boyer
Associate City Attorney

[7563A/4951G]

Read the first time in full and on motion by Schmidt, seconded by Henry, and duly adopted, read the second time by title and referred to the Committee on Finance (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Conference Room 128, City-County Building, Fort Wayne, Indiana, on _____, the _____, day of _____, 19____, at _____ o'clock 4 P.M., E.S.T.

DATED: 12-27-88

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by Henry, seconded by Henry, and duly adopted, placed on its passage. PASSED ~~LAST~~ by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>
TOTAL VOTES	<u>7</u>			<u>2</u>
BRADBURY	<u>✓</u>			
BURNS	<u>✓</u>			
GIAQUINTA	<u>✓</u>			
HENRY	<u>✓</u>			
LONG	<u>✓</u>			
REDD	<u>✓</u>			
SCHMIDT				<u>✓</u>
STIER				<u>✓</u>
TALARICO	<u>✓</u>			

DATED: 1-10-89

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ANNEXATION) (APPROPRIATION) (GENERAL)

(SPECIAL) (ZONING MAP) ORDINANCE RESOLUTION NO. 204-89

on the 10th day of January, 1989,

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

ATTEST
Charles S. Reed
SEAL
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 11th day of January, 1989, at the hour of 11:00 o'clock 9 P.M., E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 15th day of January,

1989, at the hour of 4:00

o'clock 9 P.M., E.S.T.

INDENTURE OF TRUST

By and Between

THE CITY OF FORT WAYNE, INDIANA,

and

LINCOLN NATIONAL BANK AND TRUST COMPANY
FORT WAYNE, INDIANA

AS TRUSTEE

Dated as of January 1, 1989

\$1,544,000

CITY OF FORT WAYNE, INDIANA
ECONOMIC DEVELOPMENT REVENUE
BONDS, SERIES 1989A
(WARD PATTERN & ENGINEERING, INC. PROJECT)

TABLE OF CONTENTS

	<u>Page</u>
Preamble	1
Granting Clauses	2

ARTICLE I DEFINITIONS AND INTERPRETATION

SECTION 1.01.	Definitions	4
SECTION 1.02.	Article and Section Headings	9
SECTION 1.03.	Interpretation	9

ARTICLE II AUTHORIZATION AND ISSUANCE OF THE BONDS

SECTION 2.01.	Authorization of the Bonds	9
SECTION 2.02.	Issuance of the Bonds	10
SECTION 2.03.	Form of Bonds	11
SECTION 2.04.	Execution	18
SECTION 2.05.	Conditions of Precedent to the Delivery of the Bonds; Authentication	19
SECTION 2.06.	Redemption of Bonds	20
SECTION 2.07.	Notice of Redemption	21
SECTION 2.08.	Redemption Payments; Effect of Call for Redemption	21
SECTION 2.09.	Partial Redemption	22

ARTICLE III [Reserved]

ARTICLE IV GENERAL PROVISIONS

SECTION 4.01.	Authorization for Indenture; Indenture to Constitute Contract ...	22
SECTION 4.02.	Payment of Principal, Premium, if any, and Interest.....	23
SECTION 4.03.	Performance of Covenants; Issuer Warranties	23
SECTION 4.04.	Instruments of Further Assurance	23
SECTION 4.05.	Recordation	23
SECTION 4.06.	Registration of the Bonds; Bond Registrar; Persons Treated as Owners	24
SECTION 4.07.	Cancellation	25
SECTION 4.08.	Non-presentment of the Bonds	25
SECTION 4.09.	Rights under the Loan Agreement and the Letter of Credit	26
SECTION 4.10.	Notice to Credit Bank	26
SECTION 4.11.	Legal Existence of the Issuer	26
SECTION 4.12.	Tax-Exempt Status of the Bonds	26
SECTION 4.13.	Diminution of, or Encumbrance on, the Trust Estate	27
SECTION 4.14.	Books, Records and Accounts	27
SECTION 4.15.	Temporary Bonds	27
SECTION 4.16.	Mutilated, Lost, Stolen or Destroyed Bonds	27

ARTICLE V REVENUES AND FUNDS

SECTION 5.01.	Application of Original Proceeds of Bonds; Source of Payment of the Bonds	28
SECTION 5.02.	Creation of Bond Fund	28
SECTION 5.03.	Payments into the Bond Fund	28
SECTION 5.04.	Draw on Letter of Credit; Use of Moneys in the Bond Fund	29
SECTION 5.05.	Creation of the Construction Fund	30
SECTION 5.06.	Payments into and use of Moneys in the Construction Fund	30
SECTION 5.07.	Investment of Moneys	30
SECTION 5.08.	Moneys to be Held in Trust	33
SECTION 5.09.	Repayment to the Company or the Credit Bank from Indenture Funds ...	33
SECTION 5.10.	Tax Covenants	34
SECTION 5.11.	Custody of Accounts	34
SECTION 5.12.	Rebate of Excess Investment Earnings to United States	34
SECTION 5.13.	Arbitrage Calculations	37

ARTICLE VI DISCHARGE OF INDENTURE

SECTION 6.01.	Discharge	37
SECTION 6.02.	Investment	38

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01.	Events of Default	38
SECTION 7.02.	Acceleration	39
SECTION 7.03.	Other Remedies; Rights of the Bond Owners	40
SECTION 7.04.	Right of the Bond Owners to Direct Proceedings	41
SECTION 7.05.	Appointment of Receiver	42
SECTION 7.06.	Waiver of Certain Laws	42
SECTION 7.07.	Application of Moneys	42
SECTION 7.08.	Remedies Vested in the Trustee	44
SECTION 7.09.	Rights and Remedies of the Bond Owners	44
SECTION 7.10.	Termination of Proceedings	45
SECTION 7.11.	Waviers of Events of Default	45
SECTION 7.12.	Notice of Default; Opportunity to Cure Defaults	46
SECTION 7.13.	Limitation on Defaults and Remedies	46

ARTICLE VIII THE TRUSTEE

SECTION 8.01.	Acceptance of the Trusts	46
SECTION 8.02.	Annual Fees, Charges and Expenses of the Trustee	51
SECTION 8.03.	Notice to Bond Owners of Default	52
SECTION 8.04.	Intervention by the Trustee	52
SECTION 8.05.	Successor Trustee by Merger or Otherwise	52
SECTION 8.06.	Resignation by the Trustee	53
SECTION 8.07.	Removal of the Trustee	53
SECTION 8.08.	Appointment of Successor Trustee; Temporary Trustee	53
SECTION 8.09.	Successor Trustee	53
SECTION 8.10.	Appointment of Co-Trustee	54
SECTION 8.11.	Qualifications	55
SECTION 8.12.	The Paying Agent, Registrar	55

ARTICLE IX SUPPLEMENTAL INDENTURES

SECTION 9.01.	Supplemental Indentures Not Requiring the Consent of the Bond Owners	57
SECTION 9.02.	Supplemental Indentures Requiring the Consent of the Bond Owners	58
SECTION 9.03.	Limitation Upon Amendments and Supplements	59
SECTION 9.04.	The Paying Agent, Registrar	59

ARTICLE X AMENDMENT OF CERTAIN PROJECT LOAN DOCUMENTS AND LETTER OF CREDIT

SECTION 10.01.	Amendments of the Loan Agreement and Security Agreement Not Requiring the Consent of the Bond Owners	59
SECTION 10.02.	Amendments of the Loan Agreement and Security Agreement Requiring the Consent of the Bond Owners	60
SECTION 10.03.	Limitation Upon Amendment of the Loan Agreement	61
SECTION 10.04.	Modifications of the Letter of Credit	61

ARTICLE XI MISCELLANEOUS

SECTION 11.01.	Consents of the Bond Owners	61
SECTION 11.02.	Limitation of Rights	62
SECTION 11.03.	Severability	62
SECTION 11.04.	Notices	62
SECTION 11.05.	Payments or Performance Due on Other than Business Days	63
SECTION 11.06.	Execution of Counterparts	63
SECTION 11.07.	Applicable Law	63
SECTION 11.08.	Disqualified Bonds	63

(7569A/4789G)

INDENTURE OF TRUST

THIS INDENTURE OF TRUST, made and entered into as of January 1, 1989, by and between the THE CITY OF FORT WAYNE, INDIANA, a political subdivision of the State of Indiana (herein called the "Issuer"), and LINCOLN NATIONAL BANK AND TRUST COMPANY, Fort Wayne, Indiana, a national banking association having a principal corporate trust office in Fort Wayne, Indiana, being qualified to accept and administer the trusts hereby created (herein called the "Trustee"),

W I T N E S S E T H :

WHEREAS, the Issuer is a political subdivision of the State of Indiana authorized under the Indiana Code, Title 36, Article 7, Chapters 11.9 and 12 (the "Act"), to sell bonds for the purpose of providing financing for the acquisition, construction and improvement of certain projects located within the City of Fort Wayne, Indiana; and

WHEREAS, Ward Pattern & Engineering, Inc., an Indiana corporation (the "Company") has duly filed its application with the Issuer for the issuance of bonds to currently finance the acquisition of new equipment and the construction, reconstruction, and improvement of land and property subject to the allowance for depreciation under the Internal Revenue Code (the "Code"), all to be located within the corporate boundaries of the Issuer; and

WHEREAS, the Issuer, after due investigation and deliberation, has adopted an ordinance approving such application and authorizing the issuance of bonds for such purposes; and

WHEREAS, the Issuer has duly entered into a loan agreement (the "Loan Agreement") with the Company specifying the terms and conditions of such financing, the loaning of the proceeds of its Economic Development Revenue Bonds, Series 1989A (Ward Pattern & Engineering, Inc. Project) (the "Bonds") to the Company for such purposes and the repayment by the Company of such loan (the "Loan"); and

WHEREAS, as security for the repayment of the Loan, the Company will be required to deliver to the Issuer certain

security agreement and mortgages which the Issuer will assign to the Trustee granting a security interest in the Project equipment, land and property (the "Security Agreements") and a letter of credit (the "Letter of Credit") of the Credit Bank, against which the Trustee shall be entitled to draw, in accordance with the terms thereof, up to an amount sufficient (i) to pay the aggregate principal amount of the Bonds, and (ii) an amount equal to 195 days' accrued interest on the Bonds; and

WHEREAS, the Trustee has agreed to accept the trusts herein created upon the terms herein set forth; and

WHEREAS, all things necessary to make the Bonds, when issued as provided in this Indenture, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid assignment of the amounts pledged to the payment of the principal of, and premium, if any, and interest on, the Bonds have been done and performed, and the creation, execution and delivery of this Indenture and the execution and issuance of the Bonds, subject to the terms hereof, in all respects have been duly authorized;

NOW, THEREFORE, the Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created, and for other good and valuable consideration, the receipt of which hereby is acknowledged, and in order to secure the payment of the principal of, and premium, if any, and interest on, the Bonds according to their tenor and effect and to secure the performance and observance by the Issuer of all of the covenants and obligations expressed or implied herein and in the Bonds, hereby does irrevocably grant, alienate, bargain, sell, convey, transfer, assign and pledge unto the Trustee (to the extent of its legal capacity to hold the same for the purposes hereof), and the successors in trust and assigns of the Trustee forever;

GRANTING CLAUSE FIRST

All right, title and interest of the Issuer in, to and under the Loan Agreement (except Sections 3.9, 5.2 and 7.4 thereof and the Issuer's right to receive notices thereunder) and the Security Agreements, and all extensions and renewals of the term thereof, if any, and to do any and all other things which the Issuer is or may become entitled to do under the Loan Agreement and the Security Agreements; provided, however, that the assignment made pursuant to this clause shall not impair or diminish any obligation of the Issuer under the Loan Agreement or alter the rights, duties and obligations of the Trustee under the remaining terms of this Indenture;

GRANTING CLAUSE SECOND

All revenues and receipts payable to the Issuer under or with respect to the Loan Agreement (except amounts payable to the Issuer under Sections 3.9, 5.2 and 7.4 thereof) and the Security Agreements;

GRANTING CLAUSE THIRD

All right, title and interest of the Issuer in and to all moneys and securities from time to time held under the terms of this Indenture (except amounts held pursuant to Section 5.12 hereof); and

GRANTING CLAUSE FOURTH

Any and all property, rights and interests of every kind or description which, from time to time hereafter, may be sold, transferred, conveyed, assigned, pledged, mortgaged or delivered to the Trustee as additional security hereunder.

TO HAVE AND TO HOLD all and singular the Trust Estate (as hereinafter defined), whether now owned or hereafter acquired, irrevocably unto the Trustee and its successors in trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth for the equal and ratable benefit, security and protection of all present and future Owners of the Bonds issued under and secured by this Indenture without privilege, priority or distinction as to lien or otherwise (except as herein expressly provided with respect to Pledged Bonds) of the Bonds over any of the other Bonds;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest and premium, if any, due or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as required under Article V hereof or shall provide, as permitted by Article VI hereof, for the payment thereof, and for the payment of certain excess investment earnings to the Federal Government as required under Article V hereof, and shall well and truly keep, perform and observe all of the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then this Indenture and the rights hereby granted shall

cease and terminate; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all said property, rights and interests, including, without limitation, the amounts hereby assigned, are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and that the Issuer has agreed and covenanted, and hereby does agree and covenant, with the Trustee and with the Owners, from time to time, of the Bonds, or any part thereof, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.01. Definitions. Each of the following terms shall have the meaning assigned to them in this Section 1.01 whenever they are used in this Indenture, unless the context in which they are used clearly requires otherwise:

"Bond Counsel" shall mean a firm of attorneys of nationally recognized expertise with respect to the tax-exempt obligations of political subdivisions selected by the Company, and acceptable to the Trustee and the Credit Bank.

"Bond Fund" shall mean the fund by that name established by Section 5.02 of this Indenture.

"Bond Owner," "Bondowner," "Owner," "owner," "Bondholder", "bondholder", "holder", or "owner of the Bonds" when used with respect to a Bond, shall mean the person or entity in whose name such Bond shall be registered.

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement dated January 1, 1989 among the Issuer, the Company, the Trustee and Lincoln National Bank and Trust Company of Fort Wayne.

"Bond Year" shall mean the twelve-month period beginning on the date of issuance and delivery of the Bonds and ending on the date next preceding the first anniversary thereof and, thereafter, each twelve-month period commencing on an anniversary of the date of issuance and delivery of the Bonds and ending on the day preceding the next such anniversary.

"Bonds" shall mean the \$1,544,000 aggregate principal amount of the City of Fort Wayne, Indiana, Economic Development

Revenue Bonds, Series 1989A (Ward Pattern & Engineering, Inc. Project), executed and delivered pursuant hereto.

"Business Day" or "business day" shall mean any day which is not (i) a Saturday, a Sunday, or in the cities of New York, New York or Fort Wayne, Indiana, or the State of Indiana, a day on which banking institutions are authorized or required by law or executive order to close or (ii) a day on which the New York Stock Exchange is closed.

"Closing Date" shall have the meaning ascribed to such term in the Bond Purchase Agreement.

"City" shall mean the City of Fort Wayne, Indiana.

"Code" shall mean (i) the Internal Revenue Code of 1986 (sometimes specifically referred to as the "1986 Code"), and to the extent applicable to the Bonds, the Internal Revenue Code of 1954, as amended (sometimes specifically referred to as the "1954 Code"). Each citation to a Section of the Code shall include the Regulations applicable to such Section.

"Company" shall mean Ward Pattern & Engineering, Inc., a corporation existing under the laws of the State of Indiana, and any successor thereto permitted by Section 6.2 of the Loan Agreement.

"Credit Bank" shall mean Lincoln National Bank and Trust Company of Fort Wayne, in its capacity as the issuer of the Letter of Credit, and its successors in such capacity and their assigns.

"Debt Service" shall mean the scheduled amount of interest and principal stated in Section 5.04 payable on the Bonds during the period of computation.

"Determination of Taxability" shall mean (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority which has the effect of requiring interest on the Bonds or a Series of Bonds to be included in the gross income of the holders for federal income tax purposes (other than a holder who is a "substantial user" or a "related person" within the meaning of Section 147(a) of the 1986 Code); (ii) the receipt by the Trustee of an opinion by an attorney or firm of attorneys of nationally recognized standing on the subject of municipal bonds selected by the Company and acceptable to the Trustee to the effect that interest on the Bonds or a Series of Bonds is to be included in the gross income of the holders for federal income tax purposes (other

than a holder who is a "substantial user" or a "related person" within the meaning of Section 147(a) of the 1986 Code); or (iii) the delivery to the Trustee of a written statement signed by the Company Representative to the effect that the Company has exceeded or will exceed the maximum amount of capital expenditures permitted under Section 144(a)(4) of the 1986 Code or has exceeded or will exceed the \$40,000,000 limit specified in Section 144(a)(10) of the 1986 Code or has violated any provisions of Sections 141, 144(a)(8), 146, 147(b), 147(d), 147(e), 148(d) or 148(f) of the 1986 Code; provided that no decision by any court or decision, ruling or technical advice by any administrative authority shall be considered final (a) unless the holder involved in the proceeding or action giving rise to such decision, ruling or technical advice (i) gives the Company and the Trustee prompt notice of the commencement thereof, and (ii) offers the Company the opportunity to control the contest thereof, provided the Company shall have agreed to bear all expenses in connection therewith and to indemnify that holder against all liabilities in connection therewith, and (b) until the expiration of all periods for judicial review or appeal.

"Eligible Obligations" shall mean any of the following that, at the time funds are invested therein, are legal investments for such funds under the Act, the Code, the Regulations and all other applicable laws: (i) Government Obligations, (ii) obligations of the Federal National Mortgage Association, the Government National Mortgage Association or the Federal Home Loan Mortgage Corporation, (iii) commercial paper or finance company paper that is rated not less than "P-1" by Moody's and "A-1+" by S&P, (iv) certificates of deposit or other time or demand deposits of banks (including, without limitation, the Trustee, and the Credit Bank) that are fully insured by the Federal Deposit Insurance Corporation and (v) repurchase agreements secured by (i) and (ii) above or bonds or obligations which are authorized by law as security for public deposits, provided that no proceeding under any applicable insolvency or reorganization law has been commenced by or against the issuer of such bond or obligations and, provided further, that the debt of the issuer of the repurchase agreement bear the three highest ratings assigned by Moody's or S&P.

"Event of Default," when used with respect to this Indenture, shall mean any event specified in Section 7.01 of this Indenture.

"Excess Investment Earnings" shall have the meanings ascribed to such term in Section 5.12 hereof.

"Government Obligations" shall mean direct obligations of, or obligations, the timely payment of the principal of, and interest on, which are fully and unconditionally guaranteed by the United States of America, which, at the time of investment, are legal investments under the law of the State for the moneys proposed to be invested therein.

"Gross Proceeds" shall mean (i) all moneys held in any fund or account under this Indenture, (ii) all moneys held in any fund or account reasonably expected to be used or to be used to pay principal of or interest on the Bonds or which are pledged to pay such principal or interest, whether or not held under this Indenture and (iii) any other moneys included in the definition of "gross proceeds" under Section 1.103-15AT(b)(6) of the Regulations.

"Indenture" shall mean this Indenture of Trust, as originally executed and as amended, modified or supplemented thereafter in accordance with its terms.

"Interest Payment Date" shall mean the first day of each March, June, September and December, commencing March 1, 1989.

"Issuer" shall mean the City.

"Letter of Credit" shall mean the irrevocable letter of credit issued by the Credit Bank to the Trustee in accordance with Section 3.8 of the Loan Agreement.

"Loan" shall mean the secured loan made by the Issuer to the Company from the proceeds of the Bonds pursuant to the Loan Agreement.

"Loan Agreement" shall mean the Loan Agreement, dated as of January 1, 1989, by and between the Issuer and the Company.

"Moody's" shall mean Moody's Investors Service, Inc., or any successor thereto.

"Nonpurpose Obligation" shall mean any security or obligation (other than an obligation on which interest is excludable from gross income for federal income tax purposes under Section 103(a) of the Code) in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purpose of the Bonds.

"Outstanding" or "Bonds Outstanding" or "Bonds then Outstanding," at the time in question, shall mean all Bonds which have been executed and delivered by the Issuer and authenticated by the Trustee under this Indenture, except:

(i) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(ii) Bonds paid or deemed to be paid pursuant to Article II hereof; provided that if such Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Section 2.08 hereof or irrevocable instructions shall have been given to the Trustee by the Issuer for the giving of such notice; and

(iii) Bonds in lieu of or in exchange for which other Bonds shall have been executed and delivered by the Issuer and authenticated by the Trustee pursuant to Sections 2.10, 4.06(b), 4.15 or 4.16 hereof.

"Paying Agent" shall mean Lincoln National Bank and Trust Company of Fort Wayne, Indiana, or any successor thereto serving as such pursuant to this Indenture.

"Premium" or "premium," when used with respect to a Bond, shall mean any amount in addition to the principal of, and interest on, such Bond, as is applicable, that is required to be paid in the event of the exercise of an option to pay the principal of such Bond, prior to maturity as permitted by this Indenture and, when used with respect to the Loan, means any amount in addition to the principal of, and interest on, the Loan that is required to be paid in the event of the exercise of an option to pay the principal of such Loan prior to maturity as permitted by the Loan Agreement.

"Prepayment" or "prepayment," when used with respect to the Loan, means the payment of all or a portion of the principal of the Loan prior to maturity, except for a payment made in advance of the scheduled due date thereof that is not to be applied against the outstanding principal balance of the Loan until such due date.

"Project" shall mean the facilities situated in the City as described more fully in Exhibit A to the Loan Agreement.

"Record Date" shall mean, with respect to any Interest Payment Date, the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date.

"Registrar" shall mean Lincoln National Bank and Trust Company of Fort Wayne, Indiana, or any successor thereto serving as such pursuant to this Indenture.

"Registration Books" shall mean the registration records of the Issuer, maintained by the Registrar.

"Regulations" shall mean the temporary and permanent Income Tax Regulations promulgated or proposed by the Department of the Treasury pursuant to the Code, as in effect on the date in question.

"S&P" shall mean Standard & Poor's Corporation, or any successor thereto.

"State" shall mean the State of Indiana.

"Trustee" shall mean Lincoln National Bank and Trust Company, Fort Wayne, Indiana, a national banking corporation, not in its individual capacity but solely as Trustee under this Indenture, or any successor trustee or co-trustee serving as such under this Indenture.

"Trust Estate" shall mean the property conveyed to the Trustee pursuant to the granting clauses of this Indenture.

"Placement Agent" shall mean the placement agent named in the Bond Purchase Agreement.

"Yield" has the meaning ascribed to such term in the Regulations and calculated in accordance therewith.

SECTION 1.02. Article and Section Headings. The headings or titles of the several articles and sections of this Indenture, and the table of contents appended hereto, are solely for convenience or reference and shall not affect the meaning, construction or effect of the provisions hereof.

SECTION 1.03. Interpretation. The singular form of any word used herein shall include the plural, and vice versa, if applicable. The use of a word of any gender shall include all genders, if applicable. This Indenture and all of the terms and provisions hereof shall be construed so as to effectuate the purposes contemplated hereby and to sustain the validity hereof.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF THE BONDS

SECTION 2.01. Authorization of the Bonds. The Bonds are hereby authorized to be issued in one series, designated the City of Fort Wayne, Indiana, Economic Development Revenue Bonds, Series 1989A (Ward Pattern & Engineering, Inc. Project), in the aggregate principal amount of \$1,544,000 (the "Bonds"). The Bonds shall be issued for the purpose of financing the

Construction Costs and the Delivery Costs. No Bonds may be issued pursuant to this Indenture in addition to those authorized by this Section 2.01, except Bonds issued upon transfer or exchange pursuant to Section 4.06 hereof, temporary Bonds issued pursuant to Section 4.15 hereof, replacement Bonds issued pursuant to Section 4.16 hereof and Bonds issued pursuant to Section 2.09 hereof.

SECTION 2.02. Issuance of the Bonds. The Bonds (i) shall be dated as provided in the last paragraph of this Section, (ii) shall be in the aggregate principal amount described in Section 2.01 hereof, and (iii) shall mature serially and bear interest from their date until paid at a fixed per annum rate as follows:

MATURITY SCHEDULE

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
December 1, 1990	\$ 110,000	
December 1, 1991	\$ 120,000	
December 1, 1992	\$ 125,000	
December 1, 1993	\$ 135,000	
December 1, 1994	\$ 145,000	
December 1, 1995	\$ 155,000	
December 1, 1996	\$ 170,000	
December 1, 1997	\$ 180,000	
December 1, 1998	\$ 194,000	
December 1, 1999	\$ 210,000	

The Bonds are subject to redemption prior to maturity as set forth in Sections 2.06 and 2.07.

The Bonds are issuable in the form of registered Bonds without coupons in the denomination of \$1,000 each or integral multiples thereof. The Bonds shall be numbered from 1 upwards, provided that the number assigned to each Bond shall be prefixed by the letter "R." Temporary Bonds shall be prefixed by the letters "TR".

Principal of the Bonds shall be payable to the Bondholders upon presentation and surrender of the Bonds as the same become due at the principal corporate trust office of the Paying Agent. Interest on the Bonds shall be paid by check or draft mailed by the Paying Agent on the respective Interest Payment Date to the Bondholders at their addresses shown on the Registration Books as of the close of business on the Record Date with respect to such Interest Payment Date. Such interest shall be paid notwithstanding the cancellation of any Bonds

upon any exchange or registration of transfer thereof subsequent to the Record Date and prior to such Interest Payment Date, except that, if and to the extent there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Bondholders in whose names any such Bonds (or any Bond or Bonds issued upon registration of transfer or exchange thereof) are registered at the close of business on the Business Day next preceding the date of payment of such defaulted interest. Payment of principal and interest on the Bonds shall be made in such lawful money of the United States of America as, at the respective times of payment, shall be legal tender for the payment of public and private debts.

Initially, the Bonds shall be dated January 1, 1989 and bear interest from the date of Closing and delivery, and thereafter shall be dated and bear interest from the Interest Payment Date next preceding the date of authentication, unless (i) authenticated on an Interest Payment Date, in which event such Bonds shall be dated and bear interest from the date of authentication, or (ii) authenticated after a Record Date and before the following Interest Payment Date, in which event such Bonds shall be dated and bear interest from the following Interest Payment Date. If, as shown by the records of the Trustee, interest on the Bonds is in default, Bonds issued in exchange for Bonds surrendered for registration of transfer or exchange shall be dated as of, and bear interest from, the date to which interest has been paid in full on the Bonds, or, if no interest has been paid on the Bonds, from the date of issuance and delivery of the Bonds hereunder.

SECTION 2.03. Form of Bonds. The Bonds, the certificate of authentication, the provision for registration and the form of assignment shall be in substantially the forms hereinafter set forth with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby (including specifically, and without limitation, the provisions of Article X hereof) and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon, as may be required to comply with any applicable laws or rules or regulations, or as may, consistently herewith, be determined by the officers executing such Bonds, as evidenced by their execution of the Bonds.

FORM OF SERIES A BOND

[FACE OF BOND]

R_____

\$_____

UNITED STATES OF AMERICA
CITY OF FORT WAYNE, INDIANA
ECONOMIC DEVELOPMENT REVENUE BOND,
SERIES 1989A
(WARD PATTERN & ENGINEERING, INC. PROJECT)

DATED DATE

MATURITY DATE

CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The City of Fort Wayne (the "Issuer"), a municipal corporation organized and existing under the laws of the State of Indiana, hereby promises to pay to the Registered Owner specified above or registered assigns, the Principal Amount specified above on the Maturity Date specified above (or earlier as hereinafter provided), and to pay interest on the Principal Amount hereof from the Dated Date specified above at the rates per annum and on the dates set forth herein; provided, however, that such principal and interest are payable solely from the sources and in the manner hereinafter described, and solely as authorized and provided in Indiana Code, Title 36, Article 7, Chapters 11.9 and 12 (the "Act").

The principal of, and premium, if any, and interest on, this Bond are payable in lawful money of the United States of America. The principal of, and premium, if any, payable upon maturity or earlier redemption of this Bond are payable when due upon the presentation and surrender hereof at the principal corporate trust office in Lincoln National Bank and Trust Company of Fort Wayne, Indiana, as Paying Agent, or any successor (the "Paying Agent"). Each payment of interest on this Bond shall be payable to the Registered Owner hereof as shown on the books kept by Lincoln National Bank and Trust Company of Fort Wayne, Indiana, as Bond Registrar, or any successor (the "Registrar") at the close of business on the fifteenth day of the calendar month next preceding the date on which such interest becomes due and payable (herein, a "Record Date"). Interest on this Bond shall be payable to the Registered Owner hereof by check or draft mailed on the respective Interest Payment Date to the address of such Registered Owner as shown on the books kept by the Bond Registrar at the close of business on the relevant Record Date or such other address as is furnished to the Registrar (in form satisfactory to the Registrar) by such Owner prior to such Record Date, such payment to be made by the Paying Agent.

REFERENCE HEREBY IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF FULLY SET FORTH IN THE TEXT OF THIS BOND WRITTEN ABOVE.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by one of the Registrar or by Lincoln National Bank and Trust Company, Fort Wayne, Indiana, as Trustee, or any successor (the "Trustee").

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of its Mayor and attested with the manual or facsimile signature of its City Clerk all as of the date first above written.

CITY OF FORT WAYNE, INDIANA

[SEAL]

By: _____
W. Paul Helmke, Mayor

ATTEST:

Sandra Kennedy, City-Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is hereby authenticated as required by Section 2.05 of the within-referenced Indenture of Trust.

_____ ,

Date of
Authentication: _____

By: _____
Authorized Officer

[REVERSE OF BOND]

This Bond is authorized and issued under and pursuant to authority conferred by the Act, an ordinance adopted by the

Issuer and the Indenture of Trust, dated as of January 1, 1989 (the "Indenture"), by and between the Issuer and the Trustee. This Bond is one of the Issuer's duly authorized Economic Development Revenue Bonds, Series 1989A (Ward Pattern & Engineering, Inc. Project) (the "Bonds"), which series has been issued in the aggregate principal amount of \$1,544,000 to provide funds to make a loan (the "Loan") to Ward Pattern & Engineering, Inc., an Indiana corporation (the "Company"), for the purpose of currently financing the costs of acquiring constructing, reconstructing and improving certain land and property located within the City of Fort Wayne, Indiana. As security for the payment of the Bonds, the Company has delivered (i) to the Issuer a Security Agreements which the Issuer has assigned to the Trustee granting a security interest in the equipment, land and property financed with the proceeds of the Bonds, and (ii) to the Trustee a letter of credit (the "Letter of Credit") of the Credit Bank against which the Trustee shall be entitled to draw, in accordance with the terms thereof, to pay when and as due, the principal of, up to 195 days' accrued interest on, and the 3% Taxability Premium (if any) on, the Bonds. Pursuant to a Reimbursement Agreement with the Credit Bank (the "Reimbursement Agreement"), the Company has agreed to reimburse the Credit Bank for amounts drawn under the Letter of Credit.

The Bonds are all issued under and entitled to the benefits of the Indenture, duly executed and delivered by the Issuer to the Trustee. Pursuant to the Indenture, the Issuer has pledged and assigned to the Trustee the Trust Estate (as defined in the Indenture) as security for its obligation to pay the principal of, premium, if any, and interest on the Bonds. Reference is made to the Indenture for definitions of the terms used herein, for a description of the Trust Estate and for the provisions thereof with respect to the nature and extent of the security granted by the Issuer to the Trustee thereunder, the rights, duties and obligations of the Issuer and the Trustee, the rights of the registered owners of the Bonds, and the terms on which the Bonds are issued and secured, to all of which provisions, and to all other provisions of the Indenture, the Registered Owner hereof by the acceptance of this Bond assents.

Interest on the Bonds shall be paid on the first day of each March, June, September and December, commencing on March 1, 1989, and shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Bonds shall be subject to redemption by the Issuer prior to maturity only as follows:

The Bonds shall be subject to mandatory redemption in whole (i) on any Interest Payment Date

upon the occurrence of certain events described in Section 8.3 of the Loan Agreement if the Company elects to prepay a like amount under the Loan Agreement, (ii) on the earliest practicable date selected by the Trustee not later than 90 days after the Trustee receives notice of the occurrence of a Determination of Taxability (as defined in the Indenture) in respect of the Bonds, and (iii) at any time upon an acceleration of the Bonds pursuant to the Indenture. Redemption shall occur at a redemption price equal to the principal amount of the Bonds plus accrued interest thereon to the redemption date and shall be, without premium except for a Determination of Taxability in which case redemption shall be with a 3% premium.

The ownership of this Bond may be transferred (in an amount which is an integral multiple of the minimum denomination of Bonds) only upon presentation and surrender of this Bond at the principal corporate trust office of the Registrar, together with an assignment duly executed by the Registered Owner(s) hereof or his duly authorized attorney-in-fact in such form as shall be satisfactory to the Registrar, and subject to the provisions made therefor in the Indenture, provided that the Registrar shall not be required to make any such transfer of any Bond during the ten Business Days immediately preceding the selection of the Bonds for such redemption or, with respect to a Bond, after such Bond or any portion thereof has been selected for redemption.

Not less than 10 nor more than 15 days prior to any redemption date, the Paying Agent shall cause notice of the call for redemption, identifying each Bond or portion thereof to be redeemed, given in the name of the Issuer, to be sent by certified mail to the registered owner of each Bond to be redeemed at the address shown on the books kept by the Bond Registrar. Failure to give such notice or any defect therein shall not affect the validity of any proceedings for the redemption of Bonds. By the date fixed for any such redemption, due provision shall be made with the Paying Agent for the payment of the redemption price of, and interest on, the Bonds to be redeemed on the date of redemption. If notice of redemption is given and if due provision for payment of the redemption price is made, all as provided in the Indenture, the Bonds or portions thereof which are to be redeemed shall not bear interest after the date fixed for redemption, and shall not be entitled to any benefit or security under the Indenture (including under the Letter of Credit), except for the right of the registered owner to receive the redemption price thereof and accrued interest thereon out of the funds provided for such payment.

Provisions may be made for the payment of amounts represented by the Bonds as provided in the Indenture, in which event all liability of the Issuer to the owners of the applicable Bonds for the payment of such Bonds shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds (but only for the period specified in the Indenture) without liability for interest thereon, for the benefit of the owners of such Bonds, who shall thereafter be restricted exclusively to such funds for any claims of whatever nature under the Indenture or on, or with respect to, said Bonds.

It is hereby certified and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and done in accordance with law; that the Bonds are special obligations of the Issuer; and that the principal of, premium, if any, and interest on, the Bonds are payable from and secured by the properties, revenues and receipts that constitute a part of the Trust Estate, by the Security Agreement and by the Letter of Credit.

The Bonds are secured by the Indenture, whereunder the Trustee undertakes to enforce the rights of the owners of the Bonds and to perform other duties to the extent and under the conditions stated in the Indenture. In case an "Event of Default" (as defined in the Indenture) shall occur, the principal of the Bonds then outstanding may, and under certain circumstances, shall, be declared to be due and payable immediately upon the conditions and in the manner provided in the Indenture. Under the circumstances provided in the Indenture, the Trustee may in its discretion, with the consent of the Credit Bank, and upon written request of the registered owners of a majority in aggregate principal amount of the Bonds then outstanding shall, waive any Event of Default and its consequences; provided, however, that (i) default in the payment of the principal of, premium, if any, or interest on, the Bonds, or (ii) the consequences of a failure to reinstate the Letter of Credit, or (iii) an Event of Default under the Reimbursement Agreement may not be so waived. The registered owners of the Bonds shall have no right to institute any action, suit or proceeding at law or in equity to enforce the Indenture except as provided in the Indenture; provided, however, that nothing in the Indenture shall affect or impair the rights of the registered owner of any Bond to enforce the payment of the principal of, and premium, if any, and interest on, such Bond from the source and in the manner herein expressed.

The Issuer has reserved the right to amend the Indenture, with the consent of the Credit Bank, as provided therein. Under some (but not all) circumstances amendments thereto must also be approved by the owners of at least 66-2/3% in aggregate principal amount of the outstanding Bonds.

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer such Bond on the books kept for registration and transfer of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without enlargement or alteration or any change whatsoever.

Signature guaranteed by:

NOTE: The signature to this assignment must be guaranteed by a commercial bank or trust company, or a member of the New York Stock Exchange.

[FORM OF REGISTRATION INFORMATION]

Under the terms of the Indenture, the Trustee will register a Bond in the name of a transferee only if the owner of such

Bond (or his duly authorized representative) provides as much of the information requested below as is applicable to him prior to submitting this Bond for transfer.

Name: _____
Address: _____
Social Security or Employer
Identification Number: _____

If a Trust, Name and Address of
Trustee: _____

SECTION 2.04. Execution; Special Obligations. The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of the Mayor of the Issuer, and attested, under a manual impression or facsimile impression of the seal of the Issuer, with the manual or facsimile signature of the Clerk of the Issuer. All authorized facsimile signatures shall have the same force and effect as manual signatures. A facsimile impression of the Issuer's seal shall have the same effect as a manual impression. In case any officer of the Issuer whose signature or a facsimile thereof appears on a Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in the office until delivery.

The Bonds are not and never shall become general obligations of the Issuer but are special obligations payable by the Issuer solely and only from the payments received under or with respect to the documents executed by the Company in connection with the Loan and the Letter of Credit (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Bonds or income from the temporary investment of such funds or other funds held hereunder), which amounts, together with any other security provided herein, are hereby specifically assigned and pledged to such purposes in the manner and to the extent provided herein. The Bonds and the premium, if any, and interest thereon shall not constitute a debt or an indebtedness of the State or the Issuer, or a loan of the faith or credit or the taxing power of the State or the Issuer, within the meaning of any constitutional or statutory provision whatsoever, nor shall the Bonds be construed to create any moral obligation on the part of the State or the Issuer with respect to the payment of the Bonds. The Bonds shall not be payable from the general revenues of the Issuer, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Issuer specifically pledged therefor.

SECTION 2.05. Conditions Precedent to the Delivery of the Bonds; Authentication. The Issuer shall execute and deliver the Bonds to the Trustee, and the Trustee shall, upon receipt by the Trustee of the purchase price for the Bonds, authenticate the Bonds or cause the Registrar to authenticate the Bonds and deliver them to the Placement Agent pursuant to the Bond Purchase Agreement. Prior to and as a condition precedent to the authentication and delivery of the Bonds there shall be filed with and delivered to the Trustee:

(i) a copy, duly certified by an authorized representative of the Issuer, of the ordinance adopted by the Issuer authorizing the execution and delivery of this Indenture and the issuance of the Bonds;

(ii) an original executed counterpart of this Indenture, the Loan Agreement and the Security Agreement;

(iii) a written order of the Issuer, directed to the Trustee, instructing the Trustee to authenticate the Bonds or cause the Registrar to authenticate the Bonds and to make them available for delivery to the Placement Agent upon payment to the Trustee for the account of the Issuer of the sum specified in such written order;

(iv) an opinion of Bond Counsel substantially to the effect that (A) the Bonds constitute legal, valid and binding special obligations of the Issuer, enforceable in accordance with their terms, subject to bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting the rights of creditors and to the exercise of judicial discretion in accordance with general principles of equity, and (B) the interest on the Bonds is excluded from gross income for federal income tax purposes under existing statutes, regulations, published rulings and judicial decisions, except for interest on any Bond for any period during which such Bond is held by a "substantial user" of any facilities financed with the proceeds of the Bonds or a "related person," as such terms are used in the Code;

(v) a certificate of the Issuer stating that it has complied with all requirements imposed by the Act and with all other applicable laws and regulations;

(vi) the original executed Letter of Credit; and

(vii) an opinion of counsel to the Credit Bank in form and substance satisfactory to the Trustee.

No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond shall have been duly executed by the Trustee or the Registrar. Such executed certificate of the Trustee or the Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The certificate of authentication on any Bond shall be deemed to have been executed by the Trustee or the Registrar if signed by an authorized officer or signatory of the Trustee or the Registrar, as the case may be, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all Bonds issued hereunder.

SECTION 2.06. Redemption of Bonds.

The Bonds shall be subject to redemption only as follows:

(a) The Bonds shall be subject to mandatory redemption by the Issuer in whole, (i) on any Interest Payment Date upon the occurrence of certain events described in Section 8.3 of the Loan Agreement if the Company elects to prepay in like amount under the Loan Agreement, (ii) on the earliest practicable date selected by the Trustee not later than 90 days after the Trustee receives notice of the occurrence of a Determination of Taxability respecting the Series of Bonds to thereupon be redeemed, and (iii) at any time upon an acceleration of the Bonds hereunder. Redemption shall occur at a redemption price equal to the principal amount of the Bonds plus accrued interest thereon to the redemption date and shall be, without premium except for the a Determination of Taxability in which case redemption shall be with a 3% premium.

(b) The Bonds are subject to optional redemption in whole or in part on any Interest Payment Date, commencing on December 1, 1995, at the direction of the Wards upon 45 days' prior written notice to the Trustee and the Credit Bank. Any such redemption shall occur at a redemption price equal to the principal amount of the to be redeemed plus accrued interest thereon to the redemption date, plus a premium as follows:

<u>Redemption Date</u>	<u>Premium</u>
12/1/95 to 11/30/96	2.0%
12/1/96 to 11/30/97	1.5%
12/1/97 to 11/30/98	1.0%
12/1/98 to 11/30/99	0.5%

(c) The Bonds shall be subject to mandatory redemption by the Issuer in part from moneys remaining in the Construction Fund after completion of the Project as provided in Section 3.6 of the Loan Agreement.

SECTION 2.07. Notice of Redemption. Not less than 10 nor more than 15 days prior to any redemption date, the Paying Agent shall, upon request of the Trustee, cause notice of the call for redemption, identifying the Bond or Bonds, or portions thereof, to be redeemed, to be given in the name of the Issuer, to be sent by certified mail, postage prepaid, to the Credit Bank, the Company and the owner of each Bond to be redeemed (in whole or in part) at the address of such Owner shown on the Registration Books; provided, however, that neither the failure to receive any such notice nor any defect in any notice so mailed shall affect the sufficiency or the validity of any proceedings for the redemption of Bonds.

SECTION 2.08. Redemption Payments; Effect of Call for Redemption. On the date fixed for redemption of any Bond, funds for the payment thereof shall be on deposit in the appropriate Bond Fund representing the proceeds of draws under the Letter of Credit, and the Trustee hereby is authorized and directed to apply such funds to the payment of each Bond or portion thereof called for redemption, together with accrued interest thereon to the redemption date and any required premium. On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, any Bond or portion thereof so called for redemption shall become and be due and payable at the redemption price provided for herein; and if, in accordance with the provisions of Article VI hereof, sufficient funds or Government Obligations, the principal of, and interest on, which will provide sufficient moneys at the times required, for payment of the redemption price (including any applicable premium) and accrued interest to the redemption date, are then held by the Trustee or Paying Agent in trust for the Bond Owners of every Bond or portion thereof to be redeemed, interest on each such Bond or portion so called for redemption shall cease to accrue and each such Bond or portion thereof shall cease to be entitled to any benefit or security under this Indenture, and the Bond Owner of each such Bond or portion thereof shall have no rights in respect thereof except to

receive payment of the redemption price thereof and accrued interest thereon to the redemption date.

SECTION 2.09. Partial Redemption. If fewer than all of the Bonds shall be called for redemption, the portion of Bonds to be redeemed shall be selected by lot by the Trustee from among all Outstanding Bonds and, for this purpose, each \$1,000 increment of principal amount represented by any Bond shall be considered a separate Bond for purposes of selecting the Bonds to be redeemed. If it is determined that one or more, but not all, of the \$1,000 increments of principal amount represented by any Bond is to be called for redemption, then, upon notice of intention to redeem such \$1,000 increments of principal amount of such Bond, the Owner of such Bond, upon surrender of such Bond to the Paying Agent for payment to such Owner of the redemption price or the principal amount of such Bond called for redemption, shall be entitled to receive a new Bond or Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds representing the unredeemed balance of the principal amount of such Bonds shall be issued to the Owner thereof without charge therefor.

If the owner of any Bond shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the increment of principal amount called for redemption (and to that extent only).

ARTICLE III

[Reserved]

ARTICLE IV

GENERAL PROVISIONS

SECTION 4.01. Authorization for Indenture; Indenture to Constitute Contract. This Indenture is entered into pursuant to the Act. In consideration of the purchase of the Bonds by the Bond Owners, the provisions of this Indenture shall be part of the contract of the Issuer with the Owners of the Bonds, and shall be deemed to be and shall constitute a contract among the Issuer, the Trustee and the Bond Owners. The provisions hereof are covenants and agreements with such Bond Owners, which the Issuer hereby determines to be necessary and desirable for the security and payment of the Bonds.

SECTION 4.02. Payment of Principal, Premium, if any, and Interest. The Issuer covenants that it will duly and punctually pay or cause to be paid the principal of, and premium, if any, and interest on, the Bonds issued under this Indenture at the place, on the dates, and in the manner provided herein and therein according to the true intent and meaning thereof, but solely from the payments, revenues and receipts specifically assigned herein for such purposes as set forth in Section 5.01 of this Indenture.

SECTION 4.03. Performance of Covenants; Issuer Warranties. The Issuer covenants that it will faithfully comply with the stipulations and provisions required to be performed by it and contained in this Indenture, or in any of its proceedings pertaining hereto. The Issuer warrants that it is duly authorized under the laws of the State of Indiana, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to execute this Indenture and to assign its rights under or with respect to the Loan Agreement and all amounts payable thereunder or with respect thereto, which hereby are assigned in the manner and to the extent herein set forth; that all actions on its part for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken; and that the Bonds are and will be valid and binding special obligations of the Issuer enforceable in accordance with the terms thereof and hereof, except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting the rights of creditors and by the application of general principles of equity.

SECTION 4.04. Instruments of Further Assurance. The Issuer covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee reasonably may require for the better and more effectual assignment to the Trustee of all payments, revenues and other amounts payable under or with respect to the Loan Agreement, the Letter of Credit and any other income and other moneys assigned hereby to the payment of the principal of, and premium, if any, and interest on, the Bonds. The Issuer further covenants that it will not create or suffer to be created any lien, encumbrance or charge upon its interest in the revenues and other amounts payable under or with respect to the Trust Estate, except the lien and charge granted hereby.

SECTION 4.05. Recordation. The Issuer covenants that it will cooperate to the end that the Loan Agreement, this Indenture and any financing statements and all supplements

thereto, and such other instruments as may be required from time to time so to be kept, will be recorded and filed in such manner and in such places as from time to time may be required by law in order fully to preserve and protect the security of the Owners of the Bonds and the rights of the Trustee hereunder.

SECTION 4.06. Registration of the Bonds; Bond Registrar; Persons Treated as Owners.

(a) Registration. The Registrar is hereby appointed as registrar of the Bonds and as such shall maintain the Registration Books, as provided by this Indenture. The Registration Books shall reflect the information required to be provided by Bond Owners in connection with the transfer of Bonds. At reasonable times and under reasonable regulations established by the Registrar, the Registration Books may be inspected and copied by the Company, the Issuer, the Trustee, the Credit Bank or by the Owners (or designated representative thereof) of at least 25% in aggregate principal amount of Bonds then Outstanding.

(b) Transfer and Exchange. The ownership of a Bond may be transferred only upon surrender thereof at the principal corporate trust office of the Registrar, accompanied by an assignment, duly executed by the Owner of such Bond or his duly authorized attorney-in-fact, in such form as shall be satisfactory to the Registrar along with the address and social security number or federal employer identification number of such transferee (or, if registration is to be made in the name of multiple individuals, of all such transferees) and, if such transferee is a trust, the name and address of the trustee of the proposed transferee. Upon the due presentation of any Bond for transfer and on request of the Registrar, the Issuer shall execute in the name of the transferee, and the Trustee shall authenticate and deliver, a new fully registered Bond or Bonds, in any denomination permitted by this Indenture, in an aggregate principal amount equal to the unmatured and unredeemed aggregate principal amount of such transferred fully registered Bond, and bearing interest at the same rate, and maturing on the same date, as such transferred Bond.

Bonds may be exchanged at the principal corporate trust office of the Registrar, for a like principal amount of Bonds of authorized denominations. All Bonds surrendered to the Trustee for exchange pursuant to this Section 4.06 shall be cancelled by the Registrar and shall not be redelivered. Neither the Issuer nor the Registrar shall be required to make any such transfer or exchange of any Bond during the ten Business Days immediately preceding the selection of the Bonds for such redemption or, with respect to a Bond, after such Bond or any portion thereof has been selected for redemption.

(c) Charges. In all cases of the transfer of a Bond, the Registrar shall register at the earliest practicable time, on the Registration Books, such Bond in accordance with the provisions of this Indenture. The Issuer or the Registrar may make a charge to the Bond Owner for every such transfer and every exchange of a Bond sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, and may demand that such charge be paid before any new Bond is delivered.

(d) Ownership. As to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal of any such Bond and the premium, if any, and interest thereon shall be made only to or upon the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the premium, if any, and interest thereon, to the extent of the sum or sums so paid.

SECTION 4.07. Cancellation. All Bonds which have been paid at maturity or redeemed prior to maturity, shall not be reissued but shall be cancelled by the Registrar. All Bonds which are cancelled shall be disposed of and a certificate of the disposition thereof shall be furnished promptly to the Issuer and the Credit Bank; provided, however, that if the Issuer or the Credit Bank shall so direct, the Registrar or Trustee shall forward the cancelled Bonds to the Issuer or the Credit Bank, as the case may be.

SECTION 4.08. Non-presentment of the Bonds. If any payment check or draft representing payment of interest, principal or premium on any Bond mailed pursuant to Article II hereof is returned to the Paying Agent or is not presented for payment by the payee thereof, or any Bond is not presented for payment of principal or premium at maturity or upon redemption, if amounts drawn under the Letter of Credit shall have been made available to the Paying Agent for the benefit of the Owner of the applicable Bond, all liability of the Issuer to the Owner of such Bond for such interest or such principal and premium shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such moneys without investing same and without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Indenture or on, or with respect to, such Bond, and such Bond shall no longer be considered to be Outstanding. The Paying Agent's obligation to hold such moneys relating to the

Bonds shall continue for a period equal to five years following the date on which the principal of all Bonds has become due, whether at maturity, or at the date fixed for redemption or purchase thereof, or otherwise, at which time the Paying Agent, upon receipt of indemnity satisfactory to it, shall surrender any remaining funds so held to the Credit Bank, or if the Credit Bank is not owed any moneys under the Reimbursement Agreement, as evidenced by notice thereof given to the Trustee by the Credit Bank, to the Company. Following such surrender, any claim under this Indenture by the Owner of any Bond of whatever nature shall be made only upon the Company.

The provisions of this Section 4.08 shall be subject to all applicable escheat laws.

SECTION 4.09. Rights under the Loan Agreement and the Letter of Credit. This Indenture, the Loan Agreement, the documents executed by the Company (including the Security Agreements) in connection therewith and the Letter of Credit, duly executed counterparts or originals of which have been filed with the Trustee, set forth the covenants and the obligations of the Issuer, the Company and the Credit Bank. Reference hereby is made to the Loan Agreement, such documents and the Letter of Credit for detailed statements of the covenants and obligations set forth therein. The Issuer and the Trustee agree that the Trustee, for and on behalf of the Bond Owners, in its name or, to the extent permitted by law, in the name of the Issuer, may enforce all rights of the Issuer and all obligations of the Company under and pursuant to the Loan Agreement and such documents.

SECTION 4.10. Notice to Credit Bank. Upon the expiration of the Letter of Credit on March 15, 2000, the Trustee shall cancel the Letter of Credit and return it to the Credit Bank in accordance with the terms thereof.

SECTION 4.11. Legal Existence of the Issuer. The Issuer covenants that it will at all times maintain its legal existence and will duly procure any necessary renewals and extensions thereof; will use its best efforts to maintain, preserve and renew all the rights, powers, privileges and franchises owned by it; and will comply with all valid acts, rules, regulations and orders of any legislative, executive, judicial or administrative body applicable to the Issuer in connection with the Bonds.

SECTION 4.12. Tax-Exempt Status of the Bonds. The Issuer and the Trustee each covenant to commit or suffer no act within their control that would alter the status or character of the Bonds, or the interest to be paid on the Bonds, for purposes of local, state or federal taxation.

SECTION 4.13. Diminution of, or Encumbrance on, the Trust Estate. The Issuer covenants not to sell, transfer, assign, pledge, release, encumber or otherwise diminish or dispose of, directly or indirectly, by merger or otherwise, or cause or suffer the same to occur, or create or allow to be created or to exist any lien upon, all or any part of its interests in the Trust Estate, except as expressly permitted by this Indenture.

SECTION 4.14. Books, Records and Accounts. The Issuer covenants to cause the Trustee to keep, and the Trustee agrees to keep, proper books for the registration of, and transfer of ownership of, each Bond, and proper books, records and accounts in which complete and correct entries shall be made of all transactions relating to the receipt, disbursement, investment, allocation and application of the proceeds received from the sale of the Bonds, the revenues received from the Loan Agreement, the documents executed by the Company in connection therewith, the Letter of Credit, the funds created pursuant to this Indenture, and all other moneys held by the Trustee hereunder. The Trustee shall, during regular business hours and upon reasonable prior notice, make such books, records and accounts available for inspection by the Issuer, the Company and the Credit Bank.

SECTION 4.15. Temporary Bonds. Until definitive Bonds are ready for delivery, there may be executed, and, upon request of the Issuer, the Trustee or Registrar shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same limitations and conditions, temporary printed, engraved, lithographed or typewritten registered Bonds (without coupons), in the denomination permitted for definitive Bonds or any integral multiple thereof, substantially of the tenor hereinabove set forth for definitive Bonds and with such omissions, insertions and variations as may be appropriate. If temporary Bonds shall be issued, the Issuer shall cause the definitive Bonds to be prepared and to be executed and deposited with the Trustee, and the Trustee, upon presentation to it at its principal corporate trust office of any temporary Bond, shall cancel the same and authenticate or cause the Registrar to authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive Bond or Bonds of an equal aggregate principal amount and bearing interest at the same rate as the temporary Bond or Bonds so surrendered. Until so exchanged the temporary Bonds shall be entitled in all respects to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder.

SECTION 4.16. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond is mutilated, lost, stolen or destroyed, the Trustee, upon request, shall authenticate or cause the

Registrar to authenticate a new Bond, dated as provided in Article II hereof, of the same denomination and bearing interest at the same rate as the Bond mutilated, lost, stolen or destroyed; provided, however, that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar and, in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Registrar and the Credit Bank evidence of such loss, theft or destruction satisfactory to the Registrar and the Credit Bank, together with indemnity satisfactory to them. If any such Bond shall have matured instead of issuing a duplicate Bond the Issuer may pay the same. The Registrar and the Issuer may charge the Owner of such Bond with their reasonable fees and expenses in connection with the issuance of any such duplicate Bond.

ARTICLE V

REVENUES AND FUNDS

SECTION 5.01. Application of Original Proceeds of Bonds; Source of Payment of the Bonds.

(a) The Bonds herein authorized and all payments by the Issuer hereunder are not and shall never become general obligations of the Issuer, but are special obligations payable solely and only from the revenues and receipts received under the Loan Agreement, the documents executed by the Company in connection therewith, the Letter of Credit and the funds created pursuant to this Indenture, and as authorized by the Act and provided herein. No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the covenant or agreement of any trustee, officer, council member, agent or employee of the Issuer in his or her individual capacity, and neither such persons nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 5.02. Creation of Bond Funds. There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated as the "City of Fort Wayne, Indiana, Economic Development Revenue Bonds, Series 1989A (Ward Pattern & Engineering, Inc. Project) -- Bond Fund." Within the Bond Fund there are hereby created by the Issuer and ordered established with the Trustee two trust accounts to be designated the "Revenue Account" and the "Letter of Credit Account."

SECTION 5.03. Payments into the Bond Fund. There shall be deposited into the respective Bond Funds, when received: (i)

all payments specified in Section 3.7 of the Loan Agreement, (ii) all moneys required to be so deposited in connection with any redemption of Bonds, (iii) all revenues derived or received by the Trustee under or with respect to the Letter of Credit, (iv) any amounts directed to be transferred into such Bond Fund pursuant to any provision of this Indenture, (v) all other moneys when received by the Trustee which are required to be deposited into such Bond Fund or which are accompanied by directions that such moneys are to be paid into such Bond Fund, and (vi) any amounts received pursuant to Section 8.3 of the Loan Agreement if the Company elects not to replace, repair, rebuild or restore the Project as provided therein. Any amounts drawn under the Letter of Credit shall be held in the Letter of Credit Account in the appropriate Bond Fund and shall not be comingled with any other amounts held in the Bond Fund or any account thereof. Any other amounts received for deposit in the respective Bond Fund which do not constitute Letter of Credit proceeds shall be held in the Revenue Account in the Bond Fund and shall not be comingled with any other amounts held in the Bond Fund or any account thereof.

There shall also be deposited in the Revenue Account of the Bond Fund for the Bonds amounts remaining in the Construction Fund to the extent provided in Section 3.6(c) of the Loan Agreement.

SECTION 5.04. Draw on Letter of Credit; Use of Moneys in the Bond Fund. On or before 12:00 noon, Fort Wayne time, on each Interest Payment Date or date upon which Bonds are to be redeemed or otherwise paid, the Trustee shall draw on the Letter of Credit an amount which shall be sufficient for the purpose of paying the principal, premium, if any, and interest coming due and payable on the Bonds on such Interest Payment Date or such date upon which Bonds are to be paid (whether at maturity, upon redemption prior to maturity, or upon acceleration in accordance herewith). The Credit Bank shall cause funds so drawn to be wired to the Paying Agent not later than 5:00 P.M., Fort Wayne time, on the Interest Payment Date or redemption date. All amounts derived by the Trustee with respect to the Letter of Credit shall be credited to the Letter of Credit Account of the appropriate Bond Fund.

Except as otherwise expressly provided in this Indenture, moneys in the Letter of Credit Account of the Bond Fund shall be used solely for the payment of the principal, premium, if any, and interest on the Bonds. The Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Letter of Credit Account of the appropriate Bond Fund to pay the principal of, Taxability Premium, if any, and interest on the Bonds as the same become due and payable; and, in the event

of a default under the Letter of Credit, to use all moneys then on deposit in the Revenue Account of the Bond Fund to pay principal of, premium, if any, and interest on, the Bonds; which authorization and direction the Trustee hereby accepts. Immediately following any draw under the Letter of Credit, amounts in the Revenue Account of a Bond Fund which represent payments by the Company under the Loan shall be delivered to the Credit Bank as reimbursement for such draw. Notwithstanding any of the foregoing provisions to the contrary, there shall be no withdrawal of investment earnings held in a Bond Fund unless and until, and to the extent that, the Company is able to determine that such withdrawal may be made without violation of the provisions of Section 5.07 and 5.12 hereof.

SECTION 5.05. Creation of the Construction Fund. There is hereby created and established with the Trustee a trust fund to be designated the "City of Fort Wayne, Indiana, Economic Development Revenue Bonds, Series 1989A (Ward Pattern & Engineering, Inc. Project) -- Construction Fund" (the "Construction Fund").

SECTION 5.06. Payments into and Use of Moneys in the Construction Fund. The proceeds of the issuance and delivery of the Bonds shall be deposited in the Construction Fund. All moneys deposited in the Construction Fund shall be disbursed by the Trustee in accordance with Section 3.6 of the Loan Agreement. Notwithstanding the foregoing, the Trustee shall not make any disbursements from the Construction Fund until the Trustee has received evidence acceptable to the Trustee that the Wards have received marketable title to the Project real estate, free and clear of all liens and encumbrances.

SECTION 5.07. Investment of Moneys. (a) Subject to the restrictions hereinafter set forth in this Section 5.07, any moneys held in the Bond Fund shall be invested and reinvested by the Trustee upon the written instructions of the Company in Government Obligations, maturing no later than the date on which it is estimated that such moneys will be required to be paid out hereunder; provided that in no event shall any such Governmental Obligations mature later than 30 days following the date of such investment. Any moneys held in the Construction Fund shall be invested and reinvested by the Trustee, at the direction of the Company, in Eligible Obligations and/or in investments which are exempt from federal income taxation pursuant to Section 103(a) of the Code which are rated in the highest category if rated as short-term obligations or not lower than the third highest category if rated as long-term obligations by Moody's or S&P, maturing no later than the date on which it is estimated that such moneys

will be required to be paid out hereunder. The Trustee may make any and all such investments through its own investment department. The Trustee shall not be responsible or liable for the performance of any such investments or for keeping the moneys held by it hereunder fully invested at all times. Any obligations acquired by the Trustee as a result of such investment or reinvestment shall be held by or under the control of the Trustee (except for such investments held in book entry form) and shall be deemed to constitute a part of the account from which the moneys used for its purchase were taken.

(b) Except as provided in paragraph (c), at no time during any Bond Year shall the Company permit the aggregate amount of Gross Proceeds of the Bonds invested in Nonpurpose Obligations with a Yield higher than the Yield on the Bonds to exceed 150% of the Debt Service on the Bonds for such Bond Year. In addition, the Company shall ensure that, beginning with the earlier of the Bond Year following completion of the Project or the fourth Bond Year, said aggregate amount of Gross Proceeds of the Bonds invested in Nonpurpose Obligations with a Yield higher than the Yield on the Bonds is promptly and appropriately reduced as the principal amount of the Bonds Outstanding is reduced. In order to comply with the preceding sentence, the Company shall reduce said investment in Nonpurpose Obligations with a Yield higher than the Yield on the Bonds within a period not to exceed 30 days following the payment of principal on the Bonds (by maturity, redemption, acceleration or otherwise); provided, however, that said reduction need not be made if the failure to make said reduction will not violate the 150% requirement set forth in the first sentence of this paragraph (b).

(c) Paragraph (b) hereof shall not apply to:

(i) proceeds of the issue invested during a three-year period beginning on the date of delivery of the Bonds, until needed for accrued interest on the Bonds or for the governmental purposes of the Bonds; and

(ii) proceeds of the issue held in the Bond Fund (or the Redemption Account therein);

(d) For the purposes of paragraph (b), in determining the aggregate amount of Gross Proceeds of the Bonds invested in Nonpurpose Obligations, the Company shall value each Nonpurpose Obligation in which Gross Proceeds are invested (including an obligation or security which was not a Nonpurpose Obligation when acquired but that becomes a Nonpurpose Obligation with

respect to the Bonds; for example, obligations pledged as security for the Bonds) as if the Nonpurpose Obligation had been acquired for its fair market value at the time such obligation or security becomes a Nonpurpose Obligation of the Bonds. The Company shall value Nonpurpose Obligations on the date of acquisition and need not revalue such Nonpurpose Obligations unless otherwise required in this Indenture.

(e) For the purposes of paragraph (b), the Company shall compute or cause to be computed the Yield of the Bonds and the Yield of Nonpurpose Obligations in accordance with the Code, and the Yield of the Bonds shall be determined on the basis of the initial offering price of the Bonds to the public (not including bond houses and brokers, or similar persons or organization acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds were sold, or if privately placed, the price paid by the first buyer of the Bonds. In addition, the Company shall compute or cause to be computed the valuation for each Nonpurpose Obligation based on the fair market value on the date of acquisition thereof or on the date the obligation or security in question becomes a Nonpurpose Obligation based on the fair market value thereof on the date of acquisition thereof or on the date the obligation or security in question becomes a Nonpurpose Obligation of the Bonds, whichever is later. In the case of variable rate Nonpurpose Obligations, the Company shall compute or cause to be computed the Yield thereof on the date the Nonpurpose Obligation is acquired and on the first day of each Bond Year by assuming that the rate of interest on the Nonpurpose Obligation will be the weighted average rate of interest for such Nonpurpose Obligation during the preceding one-year period (or portion thereof in which the Nonpurpose Obligation is outstanding). For a Nonpurpose Obligation purchased on its date of issue, the Company shall compute or cause to be computed the Yield for the first Bond Year by assuming that the rate of interest will be the initial rate of interest for such obligation as determined under the prescribed formula for the variable rate of interest on the date of issue of the Nonpurpose Obligation (without regard to any fixed rate initially applicable to such Nonpurpose Obligation).

(f) The Company shall determine the Debt Service on the Bonds on the first day of each Bond Year. Paragraph (b) shall not be deemed to be violated if, after the expiration of the period ending with the date of completion of the Project or three years from the date of delivery of the Bonds (whichever is sooner), the Nonpurpose Obligations with a Yield higher than the Yield on the Bonds in excess of 150% of the Debt Service on the Bonds are disposed of by the Company within 30 days after the annual determination of the Debt Service on the Bonds and

within 30 days after any redemption of the Bonds resulting in a reduction in annual Debt Service on the Bonds.

(g) For the purpose of paragraph (b) hereof, the Company need not sell or dispose of Nonpurpose Obligations subject to such paragraph if such sale or disposition would result in the realization of a loss for federal income tax purposes that exceeds that amount that would be paid to the United States pursuant to Section 5.12 hereof (but for such sale or disposition) at the time of such sale or disposition (not including amounts that have been previously paid to the United States pursuant to Section 5.12) if a payment under Section 5.12 were due at such time; provided, however, that the preceding sentence shall not apply to the extent that other Nonpurpose Obligations acquired with the Gross Proceeds of the Bonds may be sold or disposed of without incurring a loss in excess of the amount that would be paid to the United States pursuant to Section 5.12 (but for such sale or disposition) at the time of such sale or disposition if a payment under Section 5.12 were due at such time; and provided, further, that with respect to any Nonpurpose Obligation that under the rule described in this subsection need not be sold or disposed of, said rule shall cease to apply 30 days after the last day of the first computation period ending thereafter on which the Nonpurpose Obligation in question can be sold or disposed of without incurring a loss in excess of the amount that would be paid to the United States pursuant to Section 5.12 (but for such sale or disposition) if a payment under Section 5.12 were due at such time. For the purposes of this subsection, the Company shall treat different issues of Nonpurpose Obligations acquired at different times or with different interest rates or maturity periods as separate issues.

SECTION 5.08. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for the account of any account under any provisions of this Indenture shall be held by the Trustee in trust, and, except for moneys deposited with or paid to the Trustee for redemption of Bonds, notice of the redemption for which has been duly given, shall, while held by the Trustee or the Paying Agent, constitute part of the Trust Estate and be subject to the security interest created hereby.

SECTION 5.09. Repayment to the Company or the Credit Bank from Indenture Funds. Any amounts remaining in any account created under this Indenture, after payment in full of the Bonds in accordance with Article VI hereof, the fees, charges and expenses of the Issuer, the Registrar, the Paying Agent, the Trustee and any co-trustee appointed hereunder, and all other amounts required to be paid hereunder or under the Loan

Agreement, and after and to the extent that the Company shall determine that the payment of such remaining amounts may be made without violation of the provisions of Section 5.05 and 5.12 hereof, shall be paid, upon the expiration of, or upon the sooner termination of, the terms of this Indenture, to the Credit Bank to the extent money shall be owed to the Credit Bank under the Reimbursement Agreement and, thereafter, to the Company.

SECTION 5.10. Tax Covenants. The Issuer and the Trustee covenant with the Owners of the Bonds that, notwithstanding any other provision of this Indenture or any other instrument, they will not make an investment or other use of the proceeds of the Bonds or any other moneys held under this Indenture which would cause the Bonds to be "arbitrage bonds" or "federally guaranteed" obligations under the Code, and they further covenant that they will comply with all applicable requirements of the Tax Reform Act of 1986, the 1954 Code and the 1986 Code (except that the Trustee shall be deemed to have complied with these requirements as long as it acts on the written direction of the Company given with the consent of the Credit Bank). The foregoing covenants shall extend throughout the term of the Bonds to all accounts created under this Indenture and all moneys on deposit to the credit of any such account, and to any other amounts which are proceeds of the Bonds or which have been replaced with proceeds of the Bonds.

SECTION 5.11. Custody of Accounts. All accounts created pursuant to this Indenture shall be in the custody of the Trustee or the Paying Agent but held in trust, in the name of the Issuer, for the benefit of the Bondholders and, to the extent of unreimbursed draws under the Letter of Credit, the Credit Bank (other than Excess Investment Earnings which shall be held for the purposes set forth in Section 5.12 hereof).

SECTION 5.12. Rebate of Excess Investment Earnings to United States.

(a) Unless an exemption is available under the 1986 Code and applicable regulations, the Company shall cause a firm of independent certified public accountants to calculate Excess Investment Earnings in accordance with paragraph (b) of this Section 5.12 and shall direct the Trustee to pay, solely from funds held in trust hereunder or otherwise provided to the Trustee by the Company, Excess Investment Earnings to the United States in accordance with paragraph (c) of this Section. The term "Excess Investment Earnings" means an amount equal to the sum of:

(i) the excess of

(A) the aggregate amount earned from the date of delivery of the Bonds on all Nonpurpose Obligations in which Gross Proceeds of the Bonds are invested (other than amounts attributable to an excess described in this subparagraph (i)), over

(B) the amount that would have been earned if the Yield on such Nonpurpose Obligations (other than amounts attributable to an excess described in this subparagraph (i)) had been equal to the Yield on the Bonds, plus

(ii) any income attributable to the excess described in paragraph (i).

(b) At or prior to the last day of the first Bond Year, the Company shall cause a firm of independent certified public accountants or other professional advisor acceptable to the Trustee to calculate the Excess Investment Earnings referenced in paragraph (i) of paragraph (a). Thereafter, prior to the last day of each Bond Year and on the date of the retirement of the Bonds, the Company shall cause a firm of independent certified public accountants to calculate the amount of Excess Investment Earnings referenced in subparagraphs (i) and (ii) of paragraph (a). Said calculations shall be made on behalf of the Company in accordance with the following instructions:

(1) Except as provided in (2), in determining the amount described in subparagraph (i)(A) of paragraph (a), the aggregate amount earned on Nonpurpose Obligations shall include (i) all income realized under federal income tax accounting principles (whether or not the person earning such income is subject to federal income tax) with respect to such Nonpurpose Obligations and with respect to the reinvestment of investment receipts from such Nonpurpose Obligations (without regard to the transaction costs incurred in acquiring, carrying, selling or redeeming such Nonpurpose Obligations), including, but not limited to, gain or loss realized on the disposition of such Nonpurpose Obligations (without regard to when such gains are taken into account under Section 453 of the Code relating to taxable year of inclusion of gross income), and income under Section 1272 of the Code (relating to original issue discount) and (ii) any unrealizable gain or loss as of the date of retirement of the Bonds in the event that any Nonpurpose Obligation is retained after such date.

(2) In determining the amount described in subparagraph (i) of paragraph (a), an obligation or security shall be treated as acquired for its fair market value at the time it becomes a Nonpurpose Obligation, so that gain or loss on the disposition of such an obligation or security shall be computed with reference to such fair market value as its adjusted basis.

(3) In determining the amount described in subparagraph (i)(B) of paragraph (a), the Yield on the Bonds shall be determined based on the actual Yield of the Bonds during the period between the date of the Bonds and the date the computation is made (with adjustments for discount or premium).

(4) In determining the amount described in subparagraph (ii) of paragraph (a), all income attributable to the excess described in subparagraph (i) of paragraph (a) must be taken into account, whether or not that income exceeds the Yield on the Bonds, and no amount may be treated as "negative arbitrage."

(5) In determining the amount described in paragraph (a), there shall be excluded any amount earned on any account which is used primarily to achieve a proper matching of revenues and debt service within each Bond Year and which is depleted at least once a year except for a reasonable carryover amount not in excess of the greater of one year's earnings on such fund or one-twelfth of annual debt service as well as amounts earned on said earnings if the gross earnings on all such funds for the Bond Year is less than \$100,000.

(c) The Trustee shall pay Excess Investment Earnings to the United States in installments with the first payment to be made not later than 30 days after the end of the fifth Bond Year and with subsequent payments to be made not later than five years after the preceding payment was due. The Trustee shall assure that each installment is in an amount equal to at least 90% of the Excess Investment Earnings determined on behalf of the Company with respect to the Bonds as of the close of the computation period. Not later than 60 days after the retirement of the Bonds, the Trustee shall pay 100% of the theretofore unpaid Excess Investment Earnings of the Bonds. The Trustee shall remit such payments to the United States at the address and in the manner prescribed by the Regulations as the same may be from time to time in effect, together with such reports and statements as may be prescribed by such Regulations.

(d) In order to assure that Excess Investment Earnings are paid to the United States rather than to a third party, investments by the Trustee in certificates of deposit and in investment contracts shall be made in accordance with the Regulations therefor as from time to time in effect.

(e) The Trustee shall keep, and retain for a period of six years following the retirement of the Bonds, records of the determinations made pursuant to this Section.

SECTION 5.13. Arbitrage Calculations. The Company shall engage Bond Counsel and/or other professionals, including certified public accountants (collectively, the "Consultants"), recognized as having expertise in arbitrage matters and arbitrage calculations to make the calculations required herein; such Bond Counsel and/or other professionals shall be acceptable to the Trustee and the Credit Bank. The Company shall pay for all costs and expenses incurred in connection with such matters, including the fees and expenses of such Consultants. The Consultants retained by the Company shall make the calculations described hereunder and shall provide such calculations to the Trustee and the Credit Bank. The Trustee may rely absolutely on the calculations and determinations of such Consultants in complying with the provisions hereof.

ARTICLE VI

DISCHARGE OF INDENTURE

SECTION 6.01. Discharge. If the Issuer shall pay or cause to be paid, or there shall be otherwise paid, or provision shall be made to or for the Owners of all Bonds for the payment of, the principal, premium, if any, and interest due or to become due on the Bonds at the times and in the manner stipulated therein, and if the Issuer shall not then be in default under any of the other covenants and promises in such Bonds and this Indenture to be kept, performed and observed by it or on its part, and if the Issuer shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof or of the Bonds and of the Loan Agreement, then these presents and the interests in the Trust Estate and rights hereby granted shall cease, determine and be void, and the Trustee shall take such actions as may be necessary to evidence the cancellation and discharge of the lien of this Indenture. Any Bond shall be deemed to be paid within the meaning of this Article VI and for all purposes of this Indenture when (i) payment of the principal of, and the applicable redemption premium, if any, on, such Bond, plus

interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise) shall have been made or caused to be made in accordance with the terms hereof, and (ii) all necessary and proper fees, compensation and expenses of the Trustee, Registrar and Paying Agent pertaining to the Bonds shall have been paid or the payment thereof provided for to the satisfaction of the person entitled thereto.

SECTION 6.02. Investment. Any moneys deposited with the Trustee as provided in this Article VI shall be invested and reinvested (but only upon the written instructions of the Company) in Government Obligations, maturing in the amounts and at the times as hereinbefore set forth, and all income from all such investments, which is not required for the payment of the Bonds and interest and premium thereon, shall be deposited in the Revenue Account of the appropriate Bond Fund as and when realized and collected for the same use and application as other moneys deposited in that Account.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01. Events of Default. Subject to the provisions of Section 7.13 hereof, each of the following events is hereby defined as, and declared to constitute, an "Event of Default" under this Indenture:

(i) default in the due and punctual payment of the principal, premium, if any, or interest on, any Outstanding Bond whether at the stated maturity thereof, or upon any proceedings for redemption, or upon the maturity thereof by declaration of acceleration;

(ii) default by the Issuer in its performance or observance of any of the other covenants, agreements or conditions contained in this Indenture, and the continuation for the period after notice specified in Section 7.12 hereof;

(iii) delivery to the Trustee of a tested telex or telecopy notice, confirmed in writing from the Credit Bank, that an Event of Default has occurred under the Reimbursement Agreement;

(iv) an event of default has occurred and is continuing under the Loan Agreement; or

(v) the dissolution, insolvency or liquidation of the Credit Bank, or the filing of a voluntary petition in bankruptcy by the Credit Bank, or the consent to the filing of a bankruptcy petition against the Credit Bank, or the failure by the Credit Bank promptly to institute judicial proceedings to lift any execution, garnishment or attachment or such consequences as will materially impair its ability to carry on its operations, or the adjudication of the Credit Bank as insolvent or as a bankrupt, or any assignment by the Credit Bank for the benefit of its creditors, or the application for, or consent to, the appointment of any receiver, trustee, custodian or similar officer by the Credit Bank, or the entry by Credit Bank into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Credit Bank in any proceeding for its reorganization instituted under the insolvency or similar provisions of the Federal banking statutes; provided, however, that no involuntary petition, or appointment of a trustee, custodian or receiver without the consent of the Credit Bank, shall constitute a default hereunder until 60 days shall have elapsed from the date of filing thereof, during which time the Credit Bank has been unable to obtain the dismissal of the petition.

The occurrence of a Determination of Taxability shall not constitute an Event of Default but shall result in the redemption in full of the Bonds affected thereby as provided in Section 2.06.

SECTION 7.02. Acceleration. Upon the occurrence of an Event of Default described in Sections 7.01(i), (iii) and (v), the Trustee shall accelerate the maturity of the Bonds then Outstanding, whereupon the principal of and all accrued interest on the Bonds shall become immediately due and payable, and no interest shall accrue on any Bond from and after the date of such acceleration; and upon the occurrence of any other Event of Default, the Trustee may, and if requested so to do by the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall, accelerate the maturity of the Bonds, whereupon the principal of, and all accrued interest on, the Bonds shall become immediately due and payable; provided that, in the case of an Event of Default described in Section 7.01(ii) through (iv), if the Credit Bank is not in default under the Letter of Credit, the Credit Bank has given its written consent to such acceleration.

Upon any acceleration pursuant to this Section 7.02, the Trustee shall promptly on the date of such acceleration take

all steps necessary to draw immediately upon the Letter of Credit in an amount which, together with all other amounts then on deposit in the accounts and funds held under this Indenture and available to pay principal of, premium, if any, and interest on the Bonds (less an amount equal to the estimated fees and expenses of the Trustee described below), equals the total amount of principal of, premium, if any, and interest on the Bonds coming due and payable by reason of such acceleration, interest to be drawn under such circumstances through and including the third calendar day following presentation of the draw to the Credit Bank by the Trustee; provided, however, that the proceeds from the drawing be paid to the Bondholders by the Trustee as promptly as practicable and in any event within three (3) calendar days from the date of said drawing and that any excess proceeds derived therefrom be returned to the Credit Bank by the Trustee. All amounts derived by the Trustee with respect to the Letter of Credit shall be deposited in the Letter of Credit Account of the appropriate Bond Fund upon receipt thereof by the Trustee and applied as provided in Section 7.07 hereof; all moneys held by the Trustee in the Revenue Account of the appropriate Bond Fund shall be applied by the Trustee to reimburse the Bank, or, to the extent that the Credit Bank fails to honor such draw, to pay the Bonds. All fees and expenses payable (or reasonably expected to be incurred) to the Trustee hereunder prior to the discharge of this Indenture shall be paid from available funds held by the Trustee other than funds representing proceeds of draws under the Letter of Credit, or moneys already held for the benefit of the Bondholders.

SECTION 7.03. Other Remedies; Rights of the Bond Owners.
Upon the occurrence of any Event of Default, the Trustee may pursue any available remedy under the Security Agreements or by suit at law or in equity to enforce the payment of the principal of, and premium, if any, and interest on the Bonds then Outstanding and the performance by the Issuer of its obligations hereunder, including, without limitation, the following:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bond Owners, and require the Issuer to carry out its obligations under this Indenture and the Act;

(ii) bring suit upon the Bonds;

(iii) by action, suit or proceeding at law or in equity require the Issuer to account as if it were the trustee of an express trust for the Bond Owners; and

(iv) by action, suit or proceeding at law or in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bond Owners.

Any judgment against the Issuer shall be enforceable only against the Trust Estate. There shall not be authorized any deficiency judgment against any assets of, or the general credit of, the Issuer. Subject to the prior rights of the Bond Owners, the Issuer shall be entitled to reimbursement for any of its expenses in connection with such proceeding from any available funds in the Trust Estate. If the Credit Bank is not in default under the Letter of Credit, the Trustee shall not be entitled to exercise any remedy in the case of an Event of Default described in Section 7.01(ii) through (iv) without the prior written consent of the Credit Bank.

Subject to the last sentence of the prior paragraph, if an Event of Default shall have occurred, and if requested to do so by the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, and if indemnified as provided in Section 8.01(1) hereof, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by this Section 7.03 or by Section 7.02 hereof, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bond Owners.

No remedy conferred upon or reserved to the Trustee or to the Bond Owners by the terms of this Indenture is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bond Owners hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein; and every such right and power may be exercised from time to time as often as may be deemed expedient. No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Bond Owners, shall extend to or shall affect any subsequent default or Event of Default or shall impair any right or remedy consequent thereon.

SECTION 7.04. Right of the Bond Owners to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, upon the occurrence of an Event of Default, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee and the Credit Bank, to direct the method and place

of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or for any other proceedings hereunder, other than for the payment of the principal of, and premium, if any, and interest on, the Bonds or any part thereof; provided, however, that direction shall not be otherwise than in accordance with the provisions of law and of this Indenture; and provided further that, if the Credit Bank is not in default under the Letter of Credit, in the case of an Event of Default described in Section 7.01(ii) through (iv), no such direction shall be followed by the Trustee without the prior written consent of the Credit Bank.

SECTION 7.05. Appointment of Receiver. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bond Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to request the appointment of a receiver or receivers of the Trust Estate and of the revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 7.06. Waiver of Certain Laws. Upon the occurrence of an Event of Default, to the extent that such rights may then lawfully be waived, neither the Issuer, nor anyone claiming through or under it, shall claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture. The Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

SECTION 7.07. Application of Moneys. All moneys relating to the Bonds received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII shall (after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees and expenses, liabilities and advances of the Trustee, it being understood that such payment shall not be made from the proceeds of any draw upon the Letter of Credit or any moneys already held for the benefit of the Bondholders) be deposited in the Revenue Accounts of the Bond Funds (or if received from the Credit Bank, in the Letter of Credit Accounts of the Bond Funds), and all moneys in such Bond Fund shall be applied as follows:

(i) Unless the principal of all the Bonds Outstanding shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of all installments of interest then due on the Outstanding Bonds and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND - To the payment to the persons entitled thereto of the unpaid principal of, and premium, if any, on, any Bond which shall have become due (other than any Bond matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of each Bond due on any particular date, together with such premium, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Outstanding Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and of such Bonds, without preference or priority of principal and premium over interest or of interest over principal and premium, or of any installment or interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal, premium, if any, and interest, to the persons entitled thereto without any discrimination or privilege.

(iii) If the principal of all the Outstanding Bonds shall have been declared due and payable by acceleration, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article VII, then the moneys shall be applied in accordance with the provisions of subsection (i) above; provided, however, that in the event that the principal of all the Bonds shall later become due or be declared due and payable by acceleration, the moneys shall be applied in accordance with the provisions of subsection (ii) of this Section 7.07.

Whenever moneys are to be applied pursuant to the provisions of this Section 7.07, such moneys shall be applied at such times,

and from time to time, as the Trustee shall determine is appropriate upon due consideration of the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future.

Whenever the Trustee shall apply such funds it shall fix the date of application, which shall be an Interest Payment Date unless it shall deem, in the reasonable exercise of its discretion, another date more suitable. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date.

SECTION 7.08. Remedies Vested in the Trustee. All rights of action (including the right to file proofs of claim) under this Indenture and under the Bonds or any Bond may be enforced by the Trustee without the possession of any Bond or the production thereof in any trial or proceedings related thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiff or defendant the Owner of any Bond.

SECTION 7.09. Rights and Remedies of the Bond Owners. No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless:

(i) an Event of Default has occurred of which the Trustee has been notified as provided in Section 8.01(h) hereof, or of which by said Section 8.01(h) the Trustee is deemed to have notice;

(ii) the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in the name or names of such Owners, and shall have offered to the Trustee indemnity as provided in Section 8.01(l) hereof;

(iii) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name within 60 days; and

(iv) in the case of an Event of Default described in Section 7.01(ii) through (iv), unless the

Credit Bank is in default under the Letter of Credit, the Credit Bank has given its prior written consent thereto;

and such notification, request, and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder. No one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by such Owners' action, and all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and (except as herein otherwise provided) for the equal and ratable benefit of the Owners on all Bonds then Outstanding. Nothing in this Indenture, however, shall affect or impair the right of any Bond Owner to enforce the payment of the principal of, and premium, if any, and interest on, any Bond owned by such Bond Owner at and after the maturity thereof, or the obligation of the Issuer to pay the principal of, and premium, if any, and interest on any Bond to the Owner thereof at the time and place, from the source, and in the manner expressed in such Bond. Nothing contained herein shall be construed as permitted or affording any Bond Owner a right or cause of action against the Trustee or in respect of the Bonds where a default has been waived under Section 7.11 hereof or cured under Section 7.12 of this Indenture.

SECTION 7.10. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer, the Trustee, the Credit Bank and the Bond Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

SECTION 7.11. Waivers of Events of Default. The Trustee may in its discretion, and with the consent of the Credit Bank if the Credit Bank is not in default under the Letter of Credit, waive any default or Event of Default hereunder and its consequences and shall do so upon the written request of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding; provided, however, that the Trustee may not waive an Event of Default described in subparagraphs (i), (iii) and (v) of Section 7.01.

SECTION 7.12. Notice of Default; Opportunity to Cure Defaults. Anything herein to the contrary notwithstanding, no default under Section 7.01(ii) hereof shall constitute an Event of Default until the Credit Bank (if it is not in default under the Letter of Credit) shall have concurred therein, and actual notice of such default by registered or certified mail shall be given to the Issuer and the Company by the Trustee or by the Owners of not less than 25% in aggregate principal amount of all Bonds Outstanding and the Issuer and the Company shall have had 30 days after receipt of such notice at their option to correct said default or to cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, that if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer and the Company, or either of them, within the applicable period and diligently pursued until the default is corrected.

With regard to any default concerning which notice is given under the provisions of this Section 7.12, the Issuer, to full extent permitted by law, hereby grants the Company full authority to perform and observe for the account of the Issuer any covenant or obligation alleged in said notice not to have been performed or preserved in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts, with power of substitution. The Trustee hereby consents to such grant of authority.

SECTION 7.13 Limitation on Defaults and Remedies. Notwithstanding anything herein to the contrary, no Event of Default described in Section 7.01(ii) through (iv) shall be deemed to exist unless and until the Credit Bank shall fail to pay, when due and payable, any amount due and payable under the Letter of Credit, and until such time, if any, as the Credit Bank shall so fail to pay any such amount, neither the Trustee, the Issuer nor the Owners of the Bonds shall have the right or be permitted to exercise any of the rights or remedies granted or permitted to any one or more of them under this Article VII; provided, however, that nothing in this Section 7.13 is intended or shall be construed to affect the obligation of the Trustee pursuant to Section 5.04, which is absolute and unconditional, to demand and collect all amounts due and payable under the Letter of Credit when and as the same shall become due and payable.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01. Acceptance of the Trusts. The Trustee

hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above. The Credit Bank shall not be deemed an agent of the Trustee for any purpose, and the Trustee shall not be responsible for the compliance by the Credit Bank with its respective obligations under this Indenture or in connection with the transactions contemplated herein. The Trustee shall be entitled to advice of counsel concerning all matters of trust hereof and the duties hereunder, and in all cases may pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trust hereof. The Trustee may act upon the opinion or advice of any attorneys approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action exercised in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (other than the certificate of authentication thereon), the legality, sufficiency or validity of this Indenture, the Loan Agreement, the Reimbursement Agreement, the Letter of Credit, the Security Agreements, the Bonds or any document or instrument relating thereto; the recording or filing of this Indenture or of any other instrument required by this Indenture to secure the Bonds; insuring the Project or collecting any insurance proceeds; the validity of the execution by the Issuer

of this Indenture or of any supplement hereto or of any instrument of further assurance; or the validity, priority, perfection or sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or otherwise as to the maintenance of the security hereof, except for the filing of Uniform Commercial Code continuation statements.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may in good faith buy, sell, own and hold any of the Bonds and may join in any action which any Bond Owner may be entitled to take with like effect as if the Trustee were not a party to this Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the Issuer, the Credit Bank, or the Company; provided, however, that if the Trustee determines that any such relation is in conflict with its duties under this Indenture, it shall eliminate the conflict or resign as Trustee. To the extent permitted by law, the Trustee may also purchase Bonds, with like effect as if it were not the Trustee.

(e) The Trustee shall be protected in acting upon, and may conclusively rely upon, any notice, request, or other paper or document reasonably believed to be genuine and correct and reasonably believed to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and any Bond issued in replacement therefor.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed by a duly authorized representative of the Issuer, the Placement Agent, the Credit Bank or the Company (including, without limitation, any requisitions and related certificates and approvals referred to in the Loan Agreement) as sufficient evidence of the facts therein contained; and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section 8.01, or of which by said subsection (h) it is deemed to have notice, shall

also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient. The Trustee may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the officer of the Issuer charged with the maintenance of its books and records over the seal of the Issuer to the effect that a resolution in the form therein set forth has been adopted, and is in full force and effect.

(g) The right of the Trustee to perform any discretionary act enumerated in this Indenture shall not be construed as a duty. The Trustee shall not be answerable for other than its gross negligence or willful misconduct in the performance of its powers and duties under this Indenture.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default or Event of Default hereunder, or in any other document or instrument executed in connection with the execution and delivery of the Bonds, except failure of any of the payments to be made to the Trustee required to be made by Articles II and V hereof, and except with respect to any draw under the Letter of Credit or with respect to acceleration of the Bonds and payment of the Bonds upon such acceleration, unless the Trustee shall be specifically notified in writing of such default or Event of Default by the Issuer, the Credit Bank, the Company or the Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding. All notices or other instruments required by this Indenture to be delivered to the Trustee shall be delivered at the corporate trust office of the Trustee and, in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect fully all books, papers and records of the Issuer pertaining to the Loan and the Bonds, and to take such photocopies and memoranda therefrom and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the trust created hereby or the powers granted hereunder.

(k) Notwithstanding anything contained elsewhere in this Indenture, the Trustee shall have the right, but not the obligation, to demand, in respect of the withdrawal of any cash, the release of any property, or the taking of any action whatsoever within the purview of this Indenture, any showing, certificate, opinion, appraisal or other information, or corporate action or evidence thereof, in addition to that required by the terms hereof as a condition of such action by the Trustee, as deemed desirable for the purposes of establishing the right of the Issuer, the Credit Bank or the Company to the withdrawal of any cash, the release of any property or the taking of any other action by the Trustee.

(l) Before taking any action referred to in Sections 7.02, 7.03, 7.04, 7.05 or 7.09 hereof (except with respect to any drawing under the Letter of Credit or with respect to acceleration of the Bonds and payment of the Bonds upon such acceleration), the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses which it may incur and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct, by reason of any action so taken.

(m) All moneys received by the Trustee shall, until used, applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds, except to the extent required by law or by this Indenture. The Trustee shall be under no liability for interest on any moneys received hereunder.

(n) Notwithstanding the effective date of this Indenture or anything to the contrary in this Indenture, the Trustee shall have no liability or responsibility for any act or event relating to this Indenture which occurs prior to the date the Trustee formally executes this Indenture and commences acting as Trustee under it.

(o) No provision of this Indenture shall be deemed to require the Trustee to expend or risk its own funds or otherwise to incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers, if the Trustee shall have reasonable grounds for believing that repayment of such funds, or, in the

alternative, adequate indemnity against such risk or liability, is not reasonably assured to it.

(p) The Trustee has no obligation or liability to the Bondholders for the payment of interest or premium, if any, on or principal of the Bonds, but rather, the Trustee's sole obligations are to administer, for the benefit of the Company and the Bondholders, the various accounts established hereunder.

(q) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 8.02. Annual Fees, Charges and Expenses of the Trustee. As payment of the annual fee for their services rendered hereunder, the Trustee, the Registrar and the Paying Agent shall be entitled to reasonable compensation for all services rendered by them under the terms of this Indenture and as set forth in the Loan Agreement. In addition, the Trustee, the Registrar and the Paying Agent shall be entitled to reimbursement for their charges and expenses (including reasonable counsel fees and expenses) incurred in connection with such services. Such compensation and reimbursement shall be paid by the Company pursuant to Section 3.09 of the Loan Agreement; provided, however, that to the extent not so paid, the Trustee may make disbursements from the Revenue Account of the appropriate Bond Fund to pay such amounts, but only after reimbursing the Credit Bank for all draws previously made under the Letter of Credit which have not been reimbursed. The right to receive compensation and reimbursement of expenses under this Section 8.02 and under applicable provisions of the Loan Agreement shall be secured by a lien on the Trust Estate, which lien shall be subordinate to the lien in favor of the Bondholders for payment of the principal of, premium, if any, and interest on the Bonds, except that, upon an Event of Default, but only upon an Event of Default, the Trustee shall have a prior lien upon the Trust Estate (excluding that portion of the Trust Estate consisting of proceeds of any draw under the Letter of Credit and funds held for the payment of principal of, premium, if any, and interest on Bonds not yet delivered or surrendered in accordance with the provisions of this Indenture, and excluding that portion of the Trust Estate consisting of funds already held for the benefit of the Bondholders pursuant to any other provisions of this Indenture, as to which such lien shall be subordinate to the lien created

hereby for the benefit of the Bond Owners) for its extraordinary fees, charges and expenses incurred in enforcing the provisions of the Indenture or any other agreement referred to herein. The Issuer shall require the Company to indemnify and hold harmless the Trustee, the Registrar and the Paying Agent against any liabilities which they may incur in the exercise and performance of their powers and duties hereunder and under any other agreement referred to herein which are not due to such person's gross negligence or willful misconduct, and for any fees and expenses of the Trustee, the Registrar and the Paying Agent to the extent funds are not available under this Indenture for the payment thereof.

SECTION 8.03. Notice to the Bond Owners of Default. If a default occurs of which the Trustee is required by Section 8.01(h) hereof to take notice or of which notice of default is given as provided in Section 8.01(h) hereof, then the Trustee shall promptly give written notice thereof by certified mail postage prepaid to each Owner of Bonds then Outstanding. The Trustee shall promptly give written notice to the Credit Bank and the Company by certified mail of any such notice of default sent to any Owner of Bonds, as provided hereunder.

SECTION 8.04. Intervention by the Trustee. In any judicial proceeding to which the Issuer, the Credit Bank or the Company is a party, and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Owners of the Outstanding Bonds, the Trustee may intervene on behalf of the Owners of the Bonds and shall do so if requested in writing by the Owners of at least 25% of the aggregate principal amount of the Bonds then Outstanding or the Credit Bank, and when provided with sufficient indemnity pursuant to Section 8.01(e) hereof.

SECTION 8.05. Successor Trustee by Merger or Otherwise. Any corporation or association into which the Trustee may be converted or merged, with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall (if it is qualified to be Trustee hereunder) be and become the Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges, responsibilities, obligations and all other matters as was its predecessor, without the execution or filing of any instrument (other than as required by the Letter of Credit) or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 8.06. Resignation by the Trustee. The Trustee may resign from the trusts hereby created by giving written notice to the Issuer, the Credit Bank, the Company, and the Owners of the Bonds then Outstanding, and shall so resign whenever it ceases to be qualified to act as Trustee hereunder. Such notice may be sent by certified mail, postage prepaid. Such resignation shall take effect upon the appointment of a successor Trustee. If no successor Trustee is appointed pursuant to Section 8.08 hereof within 30 days after the delivery of such notice, a temporary Trustee may be appointed by the Issuer, pursuant to Section 8.08 hereof. If no successor Trustee or temporary Trustee is appointed within 45 days after delivery of such notice, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

SECTION 8.07. Removal of the Trustee. The Trustee may be removed at any time by an instrument or substantially concurrent instruments in writing delivered to the Trustee, the Issuer, the Credit Bank, the Company and the Bond Owners and signed by both the Company and the Credit Bank. Such removal shall take effect upon the appointment of a successor Trustee.

SECTION 8.08. Appointment of Successor Trustee; Temporary Trustee. In case the Trustee shall resign, be removed, be dissolved, be in course of dissolution or liquidation or otherwise become incapable of acting or not qualified to act hereunder, or in case the Trustee shall be taken under the control of any public officer or officers or a receiver appointed by a court, a successor may be appointed by the Issuer with the consent of the Company and the Credit Bank.

SECTION 8.09. Successor Trustee. Every successor Trustee (including any temporary Trustee appointed pursuant to Section 8.08 hereof) appointed hereunder shall execute, acknowledge and deliver to its predecessor, the Credit Bank and the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with the title to the Trust Estate and all of the trust powers, discretions, immunities, privileges, responsibilities, obligations and all other matters of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor Trustee. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully

and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article VIII, shall be filed and/or recorded by the successor Trustee in each recording office where this Indenture shall have been filed and/or recorded. No appointment of a successor Trustee hereunder shall become effective unless such successor is a banking corporation or banking association duly organized under the laws of the United States of America or any state thereof, having a combined capital stock, surplus and undivided profits of at least ten million dollars (\$10,000,000) and authorized by law to perform all the duties imposed upon it by this Indenture and by the Loan Agreement.

SECTION 8.10. Appointment of Co-Trustee. It is the intent of the parties to this Indenture that there shall be no violations of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the rights of banking corporations or associations to transact business as a trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, and in particular in the case of the enforcement of this Indenture on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee, or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate trustee or co-trustee. It is also recognized that the Trustee may desire to appoint an affiliate corporation, including Lincoln Financial Corporation, to serve as a co-trustee. The following provisions of this Section 8.10 are adapted to these ends.

If the Trustee appoints an additional individual or institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, duty, obligation, title, interest and lien expressed or intended by this Indenture to be exercised by, vested in or conveyed by the Trustee with respect thereto shall be exercisable by, vested in and conveyed to such separate trustee or co-trustee, but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary for the exercise thereby by such separate trustee or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully vesting in and confirming to them such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. If any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting or not qualified to act, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such separate trustee or co-trustee.

SECTION 8.11. Qualifications.

(a) The Trustee and each institutional co-trustee (if any) shall at all times be a bank or trust company located in the State of Indiana (to the extent required by the Act) which (i) is organized as a corporation and doing business under the laws of the United States or any state thereof, (ii) is authorized under such laws to exercise corporate trust powers, (iii) is subject to supervision or examination by federal or state authority, (iv) has combined capital and surplus (as set forth in its most recent published report of condition) of at least \$10,000,000, and (v) shall not have become incapable of acting or have been adjudged a bankrupt or an insolvent nor have had a receiver appointed for itself or for any of its property, nor have had a public officer take charge or control of it or its property or affairs for the purpose of rehabilitation, conservation or liquidation.

(b) Should the trustee or any institutional co-trustee at any time cease to be eligible, pursuant to this Section 8.11 to act as Trustee or co-trustee (as the case may be), it shall promptly notify the Owners of all Outstanding Bonds, the Issuer, the Company and the Credit Bank of such fact. Any such notice shall set forth all the relevant facts known to the Trustee.

SECTION 8.12. The Paying Agent, Registrar. Lincoln National Bank and Trust Company of Fort Wayne, Indiana, is hereby appointed by the Issuer as Paying Agent and may, with the approval of the Company, appoint one or more Co-Paying Agents for the Bonds, subject to the conditions set forth below. The Paying Agent and each Co-Paying Agent shall designate to the Trustee its principal Office and signify its acceptance of the duties and obligations imposed on it hereunder by a written instrument of acceptance delivered to

the Issuer, the Company, the Trustee, and the Credit Bank under which the Paying Agent and each such Co-Paying Agent shall agree, particularly:

(a) to hold all sums held by such Paying Agent or Co-Paying Agent for the payment of the principal of, premium (if any) and the interest on, Bonds in trust for the benefit of the Bondholders until such sums shall be paid to such Bondholders or otherwise disposed of as herein provided;

(b) to keep such books and records as shall be consistent with prudent industry practice, to make such books and records available for inspection by the Issuer, the Trustee and the Company, and to promptly furnish copies of such books and records to the Credit Bank; and

(c) upon the request of the Paying Agent or the Trustee, to forthwith deliver to the Paying Agent or the Trustee all sums so held in trust by such Paying Agent or Co-Paying Agent.

The Paying Agent shall also have the other duties expressly provided in the other provisions of this Indenture. Furthermore, the Paying Agent shall serve as Registrar hereunder.

The Paying Agent and Registrar shall be entitled to all exculpations and indemnifications granted to the Trustee, as applicable, pursuant to this Article VIII.

The Paying Agent and Co-Paying Agent or any successor Paying Agent or Co-Paying Agent shall be banking associations, or banking corporations or trust companies duly organized under the laws of the United States of America or any state thereof, having a combined capital stock, surplus and undivided profits of at least ten million dollars (\$10,000,000) and authorized by law to perform all the duties imposed upon it by this Indenture. The Paying Agent and any Co-Paying Agent may at any time resign or be discharged of the duties and obligations created by this Indenture by giving at least 60 days' notice to the Issuer, the Company, the Credit Bank and the Trustee. The Paying Agent and any Co-Paying Agent may be removed at any time, at the direction of the Company by an instrument signed by the Issuer and the Company and filed with that Paying or such Co-Paying Agent, as the case may be, and with the Trustee and the Credit Bank.

In the event of the resignation or removal of the Paying Agent or any Co-Paying Agent, the Paying Agent or such Co-Paying

Agent, as the case may be, shall pay over, assign and deliver any moneys held by it in such capacity to its successor, or, if there be no successor, to the Trustee.

If the Paying Agent shall resign or be removed, or be dissolved, or if the property or affairs of the Paying Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or, for any other reason, and the Issuer shall not have appointed its successor as Paying Agent, the Trustee shall ipso facto be deemed to be the Paying Agent for all purposes of this Indenture until the appointment by the Issuer of the Paying Agent or successor Paying Agent, as the case may be.

In the event of a change in the principal corporate trust office of the Paying Agent, the Paying Agent which has resigned or been removed shall cease to be Registrar for the Bonds and custodian of the funds held hereunder and Paying Agent for principal, premium, if any, and interest on the Bonds, as applicable, and the successor Paying Agent, shall become such Bond Registrar, custodian and Paying Agent. The Paying Agent agrees that all records of the Paying Agent pertaining to the Loan and the Bond Owners and the Registration Books shall be transferred to any successor Paying Agent.

The Trustee shall cause the necessary arrangements to be made and continued whereby monies held in or credited to funds and accounts hereunder or otherwise derived from sources specified herein will be made available at the appropriate office of the Paying Agent in order to enable the Paying Agent to make payments respecting the Bonds at the time set forth herein.

ARTICLE IX

SUPPLEMENTAL INDENTURES

SECTION 9.01. Supplemental Indentures Not Requiring the Consent of the Bond Owners. Subject to the terms and provisions of Section 9.03 and Section 9.04 of this Indenture, the Issuer and the Trustee may, without the consent of, or notice to, any of the Bond Owners, enter into an indenture or indentures supplemental to this Indenture, not inconsistent with the terms and provisions hereof, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Indenture which does not have an adverse effect upon the interests of the Bond Owners; (ii) to grant to or confer upon the Trustee, for the benefit of the Bond Owners, any additional rights, remedies, powers or

authorities that may lawfully be granted to or conferred upon the Bond Owners or the Trustee; (iii) to subject to this Indenture additional revenues, properties or collateral; (iv) to modify, amend or supplement this Indenture, or any indenture supplemental hereto, in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States, and if the Issuer so determines, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or any similar federal statute; and (v) to add to the covenants and agreements of the Issuer contained in this Indenture other covenants and agreements thereafter to be observed for the protection of the Bond Owners or to surrender or limit any right, power or authority herein reserved to or conferred upon the Issuer.

SECTION 9.02. Supplemental Indentures Requiring the Consent of the Bond Owners. Exclusive of supplemental indentures covered by Section 9.01 hereof, this Indenture may be amended or supplemented only as provided in this Section 9.02. Subject to the terms and provisions contained in Section 9.03 and Section 9.04 of this Indenture, the Owners of not less than 66-2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purposes of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture. If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed by certified mail to each of the Bond Owners at the address of such Bond Owners indicated on the Registration Books. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bond Owners. If, within 60 days, or such longer period as shall be prescribed by the Issuer, following the mailing of such notice, the Owners of the requisite percentage in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as therein provided, no Owner of any Bond shall have any right to object

to any of the terms and provisions contained therein, or the operation thereof; or in any manner to question the propriety of the execution thereof; or to enjoin or restrain the Trustee or the Issuer (subject to Section 9.04) from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section and the last sentence of Section 9.04 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

SECTION 9.03. Limitation Upon Amendments and Supplements. Nothing contained in Sections 9.01 and 9.02 hereof shall permit, or be construed as permitting, without the consent and approval of the Owners of all of the Bonds then Outstanding (i) an extension of the maturity of the principal of, or the time for payment of any redemption premium or interest on, any Bond or a reduction in the principal amount of any Bond, or the rate of interest or redemption premium thereon, or a reduction in the amount, or extension of the time of any payment required by, any Bond; (ii) a privilege or priority of any Bond over any other Bond (except as herein provided); (iii) a reduction in the aggregate principal amount of the Bonds required for consent to such a supplemental indenture; (iv) the deprivation of the Owner of any Bond then Outstanding of the lien created by this Indenture; (v) except as provided in Article X hereof, an alteration of the obligations of the Credit Bank under the Letter of Credit; or (vi) the amendment of this Section 9.03.

SECTION 9.04. Consent of the Credit Bank and the Company Required. Anything herein to the contrary notwithstanding, an amendment or supplemental indenture under this Article IX shall not become effective unless and until the Company and the Credit Bank shall have consented in writing to the execution and delivery thereof.

ARTICLE X

AMENDMENT OF CERTAIN PROJECT LOAN DOCUMENTS AND LETTER OF CREDIT

SECTION 10.01. Amendments of the Loan Agreement and Security Agreement Not Requiring the Consent of the Bond Owners. Subject to the terms and provisions of Sections 10.03 and 10.04 of this Indenture, the Issuer and the Company may, with the prior written consent of the Credit Bank and the Trustee, amend or modify the Loan Agreement or the Security Agreements, or may consent to the amendment or modification thereof, in any manner not inconsistent with the terms and provisions of this Indenture, for any one or more of the

following purposes: (i) to cure any ambiguity or formal defect in the Loan Agreement or the Security Agreements or any other document executed by the Company in connection therewith, which does not have an adverse effect upon the interests of the Bond Owners; (ii) to grant to or confer upon the Issuer or the Trustee, for the benefit of the Bond Owners, any additional rights, remedies, powers or authorities that lawfully may be granted to or conferred upon the Issuer or the Trustee; (iii) to identify more clearly the Project, or any part thereof, or to add to or subtract from the Project, or any part thereof, any property that in the written opinion of Bond Counsel filed with the Issuer, the Credit Bank and the Trustee, will not impair the character and significance of the Project, or such part thereof, or adversely affect the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds; and (iv) to amend or modify the Loan Agreement or the Security Agreements or any other document executed by the Company in connection therewith, or any part thereof, in any manner specifically required or permitted by the terms thereof, including, without limitation, as may be necessary to maintain the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds.

SECTION 10.02. Amendments of the Loan Agreement and Security Agreement Requiring the Consent of the Bond Owners. Exclusive of amendments and modifications covered by Section 10.01 hereof, the Loan Agreement and the Security Agreements may be amended or modified only as provided in this Section 10.02. Subject to the terms and provisions contained in Section 10.03 and 10.04 of this Indenture, the Owners of not less than 66-2/3% in aggregate principal amount of the Bonds then Outstanding, with the prior written consent of the Credit Bank if the Credit Bank is not in default under the Letter of Credit, shall have the right, from time to time, to consent to and approve the amendment or modification of the Loan Agreement or the Security Agreements as shall be deemed necessary and desirable by the Trustee for the purpose of amending and modifying, in any particular, any of the terms or provisions contained in such Loan Agreement or the Security Agreements. If at any time the Issuer or the Trustee shall be asked to enter into or to consent to any such amendment or modification, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such modification or amendment to be mailed by certified mail to the Credit Bank and each of the Bond Owners at the address of such Bond Owner indicated on the Registration Books. Such notice shall briefly set forth the nature of the proposed amendment or modification and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by the Credit Bank and all Bond Owners.

If, within 60 days, or such longer period as shall be prescribed by the Issuer, following the mailing of such notice, the Credit Bank and the Owners of the requisite percentage in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such amendment or modification shall have consented to and approved the execution thereof as therein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof; or in any manner to question the propriety of the execution thereof; or to enjoin or restrain the Trustee or the Issuer from executing or consenting to the same or from taking any action pursuant to the provisions thereof.

SECTION 10.03. Limitation Upon Amendment of the Loan Agreement. Nothing contained in Sections 10.01 and 10.02 of this Indenture shall permit, or be construed as permitting, without the approval and consent of all of the Bond Owners, (i) the extension of the time for any payment under the Loan Agreement or a reduction in the amount of any payment (whether principal, premium, if any, or interest) under the Loan Agreement, or (ii) the payment to any person other than the Trustee as provided herein of any amount (except amounts due under Sections 3.09, 5.2 and 7.4 of the Loan Agreement) due under the Loan Agreement.

SECTION 10.04. Modifications of the Letter of Credit. The Letter of Credit may not be modified without the prior written consent of the Bond Owners, other than (a) to effect transfers thereof, or (b) effect extensions thereof.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Consents of the Bond Owners. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by a Bond Owner may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bond Owner in person or by his or her agent appointed in writing. The fact and date of the execution by any person of any such consent, request, direction, approval, objection or other instrument, or of the writing appointing any such agent, and of the ownership of a Bond, may be proved in any jurisdiction by the certificate of any officer who by law has power to take acknowledgment within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution, and if made in such manner, shall be sufficient for any of the purposes of this

Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument.

SECTION 11.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Credit Bank, the Company and the Owners of the Bonds any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions, and provisions herein contained. This Indenture and all of the covenants, conditions and provisions hereof are intended to be, and are, for the sole and exclusive benefit of the parties hereto, the Company, the Credit Bank and the Owners of the Bonds as herein provided.

SECTION 11.03. Severability. If any provisions of this Indenture shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

SECTION 11.04. Notices. Except as otherwise provided in this Indenture, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when personally delivered or mailed by first class mail, postage prepaid, or when sent by telegram or telex, addressed as follows:

If to the Issuer:	City of Fort Wayne, Indiana City-County Building One Main Street Fort Wayne, Indiana 46802 Attention: Sandra Kennedy, City-Clerk
If to the Trustee:	Lincoln National Bank and Trust Company P.O. Box 960 116 E. Berry Street Fort Wayne, Indiana 46802 Attention: Corporate Trust Department
If to the Registrar or Paying Agent:	Lincoln National Bank and Trust Company P.O. Box 960 116 East Berry Street Fort Wayne, Indiana 46802 Attention: Corporate Trust Department

If to the Company: Ward Pattern & Engineering, Inc.
642 Grownth Avenue
Fort Wayne, Indiana 46808
Attention: Vern D. Ward, President

If to the Credit Bank: Lincoln National Bank and Trust
Company
P.O. Box 960
116 E. Berry Street
Fort Wayne, Indiana 46802
Attention: Commerical Loan Department

A duplicate copy of each notice given hereunder by any party shall be given to each of the Issuer, the Trustee, the Credit Bank and the Company. Any person or entity listed above may, by notice given hereunder, designate any further or different addresses to which subsequent any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 11.05 Payments or Performance Due on Other than Business Days. If the last day for making any payment or taking any action, including, without limitation, exercising any remedy, under this Indenture falls on a day other than a Business Day, such payment may be made, or such action may be taken, on the next succeeding Business Day and, if so made or taken, shall have the same effect as if made or taken on the date required by this Indenture. The amount of any payment due under this Indenture shall not be affected because payment is made on a date other than the date specified in this Indenture pursuant to this Section 11.05.

SECTION 11.06. Execution of Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11.07. Applicable Law. This Indenture shall be governed by and construed in accordance with the laws of the State of Indiana.

SECTION 11.08 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred with any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Company or the Issuer, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Company or the Issuer shall be disregarded and deemed not to be Outstanding for purposes of any such determination.

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and on its behalf by its Mayor and by its Clerk and the Trustee, to evidence its acceptance of the trust hereby created, has caused these present to be signed in its name and on its behalf by its duly authorized office, all as of the day and year first above written.

CITY OF FORT WAYNE, INDIANA

[SEAL]

By: _____
W. Paul Helmke, Mayor

ATTEST:

Sandra Kennedy, City-Clerk

Approved as to Form and Legality:

David Boyer, Associate City Attorney

LINCOLN NATIONAL BANK AND TRUST
COMPANY, as Trustee

[SEAL]

By: _____

Its: _____

ATTEST:

[7562A/4788G]

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of January 1, 1989, by and between the CITY OF FORT WAYNE, INDIANA (the "Issuer"), and WARD PATTERN & ENGINEERING, INC., an Indiana corporation (the "Company"),

W I T N E S S E T H :

WHEREAS, the Issuer is a political subdivision of the State of Indiana authorized by Indiana Code Title 36, Article 7, Chapters 11.9 and 12 (the "Act") to issue and sell its bonds for the purpose of providing financing for the acquisition, construction and improvement of certain projects located within the City of Fort Wayne, Indiana; and

WHEREAS, the Company has duly filed its application with the Issuer for the issuance of bonds to currently finance the acquisition of new equipment and the reconstruction or improvement of land and property of a character subject to the allowance for depreciation under the Code, to be located within the corporate boundaries of the Issuer; and

WHEREAS, the Issuer, after due investigation and deliberation has adopted an ordinance approving such application and authorizing the issuance of bonds for such purposes; and

WHEREAS, as security for the repayment of the Loan, the Company will be required to deliver to the Issuer a security agreement and mortgages which the Issuer will assign to the Trustee granting a security interest in the Project equipment and real property (the "Security Agreements") and a letter of credit (the "Letter of Credit") of the Credit Bank, against which the Trustee shall be entitled to draw, in accordance with the terms thereof, up to an amount sufficient (i) to pay the aggregate principal amount of the Bonds, (ii) an amount equal to 195 days' accrued interest on the Bonds; and (iii) a three percent (3%) Taxability Premium; and

WHEREAS, the Issuer and the Company desire to enter into this Agreement to set forth the terms and conditions upon which the Issuer will make the Loan;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other

good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Agreement, have the meanings herein specified. Any capitalized term used but not defined herein shall bear the meaning ascribed to such term in the Indenture.

"Act of Bankruptcy" shall mean the dissolution or liquidation of the Company, or the filing of a voluntary petition in bankruptcy by the Company, or the consent to the filing of a bankruptcy petition against the Company, or the failure by the Company promptly to institute judicial proceedings to lift any execution, garnishment or attachment or such consequences as will materially impair its ability to carry on its operations, or the filing of a petition by or against the Company under the Federal bankruptcy code (11 USC 101, et seq.), or the adjudication of the Company as bankrupt, or any assignment by the Company for the benefit of its creditors, or the application for, or consent to, the appointment of any receiver, trustee, custodian or similar officer by the Company, or the entry by the Company into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Company in any proceeding for its reorganization instituted under the provisions of the Federal bankruptcy code, or under any similar act which may hereafter be enacted; provided, however, that no involuntary petition of bankruptcy, or appointment of a trustee, custodian or receiver without the consent of the Company, shall constitute an Act of Bankruptcy until 60 days shall have elapsed from the date of filing thereof, during which time the Company has been unable to obtain the dismissal of the petition.

"Agreement" shall mean this Loan Agreement.

"Company Representative" shall mean the person or persons at the time designated in a certificate by the Company to act on its behalf by a written certificate furnished to the Trustee, the Issuer and the Credit Bank containing the specimen signatures of such person or persons and signed on behalf of the Company by the President thereof. Such certificate may designate an alternate or alternates, and if no such certificate is delivered, the person herein authorized to sign such certificate shall be the Company Representative.

"Completion Date" shall mean the date of completion of the acquisition, construction and improvement of the Project as such date shall be specified in the notice delivered pursuant to Section 3.11 of this Agreement.

"Construction Costs" shall mean all costs of the Project, including but not limited to acquisition and installation costs and:

(i) all costs which the Company shall be required to pay to a contractor or any other person under the terms of any contract or contracts for the Project;

(ii) obligations of the Company incurred for labor and materials in connection with the Project;

(iii) all costs of engineering and architectural services, including the actual out-of-pocket costs of the Company for test boring, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, any fee for construction management or otherwise for supervising construction (including any such fee payable to the Company or any entity affiliated therewith or related thereto, provided such fee is customary under the circumstances), as well as costs for the performance of all other duties required by or incidental to the Project;

(iv) any sums required to reimburse the Company for advances made by or on behalf of the Company, whether before, on or after the Closing Date, for any of the above items or for any other costs incurred and for work done by or on behalf of the Company which are properly chargeable to the Project and which were incurred after the passage of an enabling resolution by the Fort Wayne Economic Development Commission; and

(v) all reimbursement obligations of the Company with respect to any interest on the Bonds coming due and payable prior to completion of installation of the Project.

"Delivery Costs" shall mean all items of expense directly or indirectly relating to the financing of the Project, including but not limited to filing and recording costs, legal fees and charges, initial Trustee fees, Placement Agent's fees, bond printing expenses, financial printing expenses, initial Paying Agent's fee, initial Letter of Credit fees, financial and other professional consultant fees and charges, to the extent permissible under the Code.

"Indenture" shall mean the Indenture of Trust, dated as of the date hereof, by and between the Trustee and the Issuer, as

amended, modified or supplemented thereafter in accordance with its terms.

"Independent Counsel" shall mean an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office, who is not a full-time employee of the Trustee, the Credit Bank, the Issuer, or the Company.

"Issuer Representative" shall mean the Mayor or any other person designated in a certificate by Issuer to act on behalf of the Issuer pursuant to a written instrument filed with the Trustee, the Credit Bank and the Company containing the specimen signatures of such person or persons. Such certificate may designate an alternate or alternates, and if no such certificate is delivered, the person herein authorized to sign such certificate shall be the Issuer Representative.

"Loan" shall mean the secured loan made by the Issuer to the Company from the proceeds of the Bonds pursuant to this Agreement.

"Project" shall mean the acquisition and installation of equipment and the construction, reconstruction or improvement of land and property of a character subject to the allowance for depreciation under the Code, situated in the City of Fort Wayne, Indiana, as described more fully in Exhibit A hereto.

"Security Agreements" shall mean the security agreement and mortgages dated the date hereof executed by the Company for the benefit of the Issuer and assigned by the Issuer to the Trustee.

"Site" shall mean the real property located within the boundaries of the Issuer, as more fully described in Exhibit A hereto.

Section 1.2. Exhibits. The following Exhibit is attached to, and by reference made a part of, this Agreement:

Exhibit A - Project Description

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations of the Issuer. The Issuer makes the following representations as the basis for its undertaking herein contained:

(a) The Issuer is a political subdivision of the State. Under the provisions of the Act, the Issuer has the power to enter into the transactions contemplated by this Agreement and the Indenture, and to carry out its obligations hereunder and thereunder. By proper action, the Issuer has been duly authorized to execute, deliver and duly perform this Agreement and the Indenture.

(b) To finance the Construction Costs and Delivery Costs, the Issuer will issue its Bonds, which will mature, bear interest and be subject to redemption as set forth in the Indenture.

(c) The Bonds will be issued under and secured by the Indenture, pursuant to which the Issuer's interest in this Agreement (except for certain administrative fees and expenses and rights to indemnification) will be pledged to the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds.

(d) The Issuer has not and will not pledge its interest in this Agreement for any purpose other than to secure the Bonds under the Indenture.

(e) The Issuer is not in default under any of the provisions of the laws of the State of Indiana which default would affect its existence or its powers referred to in subsection (a) of this Section.

(f) The Issuer has found and determined, and hereby finds and determines, that all requirements of the Act with respect to the issuance of the Bonds and the execution of this Agreement and the Indenture have been complied with, and that financing of the Project and the refunding of the Prior Bonds by issuing the Bonds and entering into this Agreement and the Indenture will be in furtherance of the purposes of the Act.

Section 2.2. Representations of the Company. The Company makes the following representations as the basis for its undertaking herein contained:

(a) The Company is an Indiana corporation duly organized and existing under the laws of the State, and has full power to enter into, execute and deliver this Agreement and the Security Agreements. The Company has filed its most recent annual report required by law with the Secretary of State (or is not yet required to file one) and has not filed Articles of Dissolution.

(b) Neither the execution and delivery of this Agreement or the Security Agreements, the consummation of the

transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, conflicts with or results in a breach of the articles of incorporation or by-laws of the Company or any agreement or instrument to which the Company is now a party or by which it is bound, or constitutes a default (with due notice or the passage of time or both) under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance (other than liens, charges or encumbrances which may be contemplated by this Bond issue and the related transactions) upon any of the property or assets of the Company under the terms of any instrument or agreement to which the Company is now a party or by which it is bound.

(c) The Project consists of the acquisition of new equipment and the reconstruction and improvement of land and property subject to the allowance for depreciation under Section 167 of the Code. The Company shall not make or permit to be made changes to the Project or to the operation thereof which would affect the qualification of the Project for financing under the Act or impair the exclusion from gross income of the interest on the Bonds from State of Indiana or federal income taxation.

(d) The Company has or will have title to the Project sufficient to carry out the purposes of this Agreement and the Security Agreements. The Project is located wholly within the corporate boundaries of the Issuer.

(e) All material certificates, approvals, permits and authorizations with respect to the acquisition, construction, equipping and operation of the Project required to be given by or obtained from applicable local governmental agencies, the State and the federal government have been obtained or will be obtained at or prior to the time they are so required.

(f) No portion of proceeds derived from the sale of the Bonds will be used to provide a facility described in Section 144(a)(8) or Section 147(e) of the Code. Substantially all (at least 95%) of the net proceeds derived from the sale of the Bonds will be used to pay the Construction Costs and Delivery Costs associated with the acquisition and installation of the new equipment and the acquisition, construction, reconstruction and improvement of land and property which comprise the Project and which is subject to the allowance for depreciation under the Code. Delivery Costs paid from the proceeds of the sale of the Bonds will not exceed two percent of such proceeds.

ARTICLE III

ISSUANCE OF THE BONDS: THE LOAN

Section 3.1. Issuance of the Bonds; Exculpation of the Issuer; Application of Proceeds. Subject to the limitations set forth in this Section 3.1, the Issuer shall issue, sell and deliver, pursuant to the terms of the Indenture, the Bonds in an aggregate principal amount of \$1,544,000, and shall cause the proceeds of the sale of the Bonds to be applied as contemplated by the Indenture. The Issuer shall have no obligation to issue, sell or deliver the Bonds except pursuant to the Bond Purchase Agreement, and, if the Bond Purchase Agreement is terminated, the Issuer shall have no obligation to issue, sell or deliver the Bonds (or any portion thereof).

Section 3.2. Procedure. At or prior to the Closing Date, there shall be delivered the following documents: (i) the Indenture and the Security Agreements, (ii) for the benefit of the Trustee, the Letter of Credit, and (iii) for the benefit of the Credit Bank, the Reimbursement Agreement duly executed by the Company.

Section 3.3. Conditions to Obligations of the Issuer. The Issuer shall not be required to make the Loan to the Company unless on the Closing Date, the Trustee on behalf of the Issuer shall have received the documents specified in Section 3.2 hereof, and, on the Closing Date, the Company shall have satisfied its obligations set forth in Section 3.7(a)(i) hereof.

Section 3.4. Term. The term of this Agreement shall commence on the date hereof and shall remain in effect until all of the Bonds have been paid in full or provision for such payment has been made as provided in the Indenture.

Section 3.5. Entering into the Loan. Subject to the provisions of Sections 3.1 to 3.3 hereof, the Issuer shall on the Closing Date, execute each of the documents to which it is a party delivered pursuant to Section 3.2 hereof.

Section 3.6. Loan Proceeds. The Company understands and agrees that the proceeds of sale of the Bonds will be used to make a loan to the Company to pay Construction Costs and Delivery Costs. The proceeds of the sale of the Bonds shall be deposited in the Construction Fund in accordance with Section 5.06 of the Indenture.

(b) The moneys in the Construction Fund shall be disbursed to pay the Construction Costs and (to the extent not paid from other funds under the Indenture) the Delivery Costs,

upon written orders executed and delivered to the Trustee directing such disbursements as follows: the Trustee shall disburse moneys in the Construction Fund from time to time upon receipt by the Trustee of a requisition executed by the Company Representative which: (i) states with respect to each disbursement to be made: (A) the requisition number, (B) the name and address of the person, firm or corporation to whom payment will be made, (C) the amount to be disbursed, (D) that each obligation mentioned therein is a proper charge against the Construction Fund and has not been the basis of any previous disbursement and (E) that at least 95% of the amount of such disbursement, together with all other disbursements theretofor made from the Construction Fund, has been or will be used (x) for payment of amounts incurred for the acquisition, construction, reconstruction or improvement of land or property subject to the allowance for depreciation under Section 167 of the Code, or (y) for payment of amounts incurred which are, for federal income tax purposes, chargeable to the Project's capital account or would be so chargeable either with a proper election or but for a proper election to deduct such amounts; and (ii) specifies in reasonable detail the nature of the obligation; and (iii) is accompanied by a bill or statement of account for such obligation.

(c) Upon the earlier of (i) the filing with the Trustee of the Certificate of Completion pursuant to Section 3.11 of this Agreement, or (ii) Lincoln National Bank and Trust Company of Fort Wayne, the Trustee shall retain in the Construction Fund such amount as shall be certified by the Company as committed to pay future Construction Costs and amounts to pay requisitions theretofor submitted, and the Trustee shall withdraw and transfer to the Bond Fund for the Bonds the balance of moneys in the Construction Fund. Thereafter, all amounts so retained in the Construction Fund but not subsequently used and for which notice of such failure of use shall be given by the Company Representative to the Trustee, shall also be transferred by the Trustee into such Bond Fund. The amounts so transferred from the Construction Fund to such Bond Fund shall be held in a segregated account therein and applied to redeem Bonds (provided, that the Trustee receives the Certificate of Completion from the Company evidencing the Completion Date no less than 45 days in advance of such redemption date) pursuant to the Indenture and pursuant to the requirements of Rev. Proc. 79-5 and Rev. Proc. 81-22; and to the extent not so applied such amounts shall be applied toward the payment of principal of the Bonds as the same shall become due and payable. Until used for one or more of the foregoing purposes, such segregated amounts may be invested as permitted by this Agreement, but no portion of such segregated amounts may be invested to produce a Yield on such amounts

(computed from the date of such transfer into such segregated account and taking into account any investment of such amounts from such date) greater than the Yield on the Bonds, computed in accordance with the Code. All of the foregoing provisions of this Section 3.6, including, without limitation, those related to the application or holding of investment earning on funds held in the Construction Fund, shall be subject to the applicable provisions of the Indenture.

Section 3.7. Payment Obligations of the Company. (a) As consideration for the issuance of the Bonds and the making of the Loan to the Company by the Issuer in accordance with the provisions of this Agreement, the Company agrees to make prompt payment to the Trustee, as assignee and pledgee of and for the account of the Issuer, for deposit in the Revenue Account of the appropriate Bond Fund, of amounts sufficient to pay the principal of, redemption premium (if any) and interest on the Bonds, whether at maturity, upon redemption or otherwise. All such payments shall be made to the Trustee at its principal corporate trust office in lawful money (immediately available) of the United States of America.

The Company agrees to make payments to the Trustee (1) with respect to amounts due on the Bonds on each Interest Payment Date (other than by reason of redemption), on the Business Day next preceding such Interest Payment Date; and (2) with respect to amounts due on the Bonds on an acceleration date, by 12:00 noon, Fort Wayne time, on the acceleration date. The Company agrees to make prepayments to the Trustee in accordance with Section 8.3 hereof. The Company directs the Trustee to apply such amounts, to the extent the Credit Bank is not in default under the Letter of Credit, to reimburse the Credit Bank for amounts drawn under the Letter of Credit to make such payments; otherwise, to apply such amounts to the purpose for which they are paid.

(b) The Company hereby authorizes and directs the Trustee to draw moneys under the Letter of Credit in accordance with the provisions of the Indenture and the terms of the Letter of Credit to the extent necessary to make any payments of principal of and interest on, and premium, if any, on the Bonds as and when the same become due and payable.

(c) If the Company should fail to make any of the payments required in subsection (a)(ii) above, the item or installment which the Company has failed to make shall continue as an obligation of the Company until the same shall have been fully paid, and the Company agrees to pay the same with interest thereon at the rate per annum borne by the Bonds, from time to time, until paid in full.

(d) Anything herein, in the Indenture or in the Bonds to the contrary notwithstanding, the obligations of the Company hereunder shall be subject to the limitation that payments constituting interest under this Section 3.7 shall not be required to the extent that the receipt of such payment by the Owner of any Bonds would be contrary to the provisions of law applicable to such Owner which limit the maximum rate of interest which may be charged or collected by such Owner.

Section 3.8. Letter of Credit. The Letter of Credit delivered to the Trustee simultaneously with the original issuance and delivery of the Bonds shall be substantially in the form attached to the Reimbursement Agreement.

Section 3.9. Administrative Expenses. The Company shall pay, or cause to be paid, an amount equal to (i) the reasonable fees and charges of the Trustee, the Paying Agent and the Registrar for their services rendered pursuant to the Indenture, and their reasonable expenses, including reasonable fees of its counsel, and (ii) the reasonable out-of-pocket expenses, issuance fees, administrative expenses and counsel fees of the Issuer.

If the Company should fail to make any of the payments required in this Section 3.9, the item or installment which the Company has failed to make shall continue as an obligation of the Company until the same shall have been fully paid, with interest thereon at the rate per annum borne by the Bonds until paid in full.

Section 3.10. Obligations of the Company Hereunder Unconditional; Payments Assigned. The obligations of the Company to make the payments required under this Agreement and to perform and observe the other agreements contained herein shall be absolute and unconditional, and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the Issuer, the Credit Bank, the Trustee, the Paying Agent or the Registrar of any obligation to the Company or otherwise with respect to the Project, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Company by the Issuer, the Credit Bank, the Trustee, the Paying Agent or the Registrar. Until such time as all of the Bonds shall have been fully paid or redeemed, the Company (i) will not suspend or discontinue any payments provided for herein, (ii) will perform and observe all other agreements contained in this Agreement and (iii) will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, failure of any person to complete the Project, the occurrence of any acts or circumstances that may constitute

failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or temporary use of any or all of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof, or any failure of the Issuer, the Credit Bank, the Trustee, the Paying Agent or the Registrar to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Letter of Credit, the Indenture, or this Agreement. Nothing contained in this Section 3.10 shall be construed to release the Issuer from the performance of any of the agreements on its part herein contained, to release the Credit Bank from the performance of any of the agreements on its part contained in the Letter of Credit, or to release the Trustee, the Paying Agent or the Registrar from the performance of any of the agreements on their part contained in the Indenture, and in the event the Issuer, the Credit Bank, the Trustee, the Paying Agent or the Registrar should fail to perform any such agreements on their part, the Company may institute such action against the Issuer, the Credit Bank, the Trustee, the Paying Agent or the Registrar as the Company may deem necessary to compel performance so long as such action does not abrogate the obligations of the Company contained in the first sentence of this Section. The Company may, however, at the Company's own cost and expense and in the Company's own name or in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving third persons which the Company deems reasonably necessary in order to secure or protect the Company's right of possession, occupancy and use hereunder, and in such event the Issuer hereby agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Issuer in any such actions or proceeding if the Company shall so request.

Section 3.11. Project Completion. Upon completion of the Project, the Company shall send the Trustee and the Credit Bank a written notice (the "Certificate of Completion") stating that the Project has been completed and the date upon which such completion occurred.

ARTICLE IV

MAINTENANCE; TAXES; INSURANCE; EMINENT DOMAIN

Section 4.1. Maintenance, Utilities, Taxes and Assessments. Throughout the term of this Agreement, all improvement, repair and maintenance of the Project shall be the

responsibility of the Company, and the Company shall pay for or otherwise arrange for the payment of all utility services supplied to the Project, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services. The Company shall also pay or cause to be paid all taxes and assessments of any type or nature charged to the Company in respect of, or levied, assessed or charged against the Project or the Site or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years the Company shall pay only such installments as are required to be paid during the term of this Agreement as and when the same become due.

The Company may, at the Company's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges; provided, however, that the Company may not permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the Company that, in the opinion of Independent Counsel, the Project or the Site will not be materially endangered or Project or the Site or any part thereof will not be subject to the loss or forfeiture.

Section 4.2. Modification of Project. The Company shall, at its own expense, have the right to make additions, modifications and improvements to the Project, subject to receipt of the consent of the Credit Bank, which consent shall not be unreasonably withheld. All such additions, modifications and improvements shall thereafter comprise part of the Project and be subject to the provisions of this Agreement and the Security Agreements. Such additions, modifications and improvements shall not in any way damage or otherwise reduce the value of the Project or cause it to be used for purposes other than those authorized under the provisions of State and federal law or in any way which would impair the exclusion from gross income of the interest on the Bonds for federal income tax purposes; and the Project, upon completion of any additions, modifications and improvements made pursuant to this Section 4.2, shall be of a value which is not substantially less than the value of the Project immediately prior to the making of such additions, modifications and improvements.

Section 4.3. Insurance. The Company shall maintain such insurance as may be required by the Credit Bank and in compliance with the Security Agreements; provided that all insurance maintained shall include the Trustee as a loss payee and shall provide for 30 days' prior notice of cancellation to the Trustee.

Section 4.4. Cooperation. The Trustee and the Issuer shall cooperate fully with the Company at the expense of the Company in filing any proof of loss with respect to any insurance policy maintained pursuant to the requirements of the Reimbursement Agreement or the Security Agreements, and in the prosecution or defense of any prospective or pending eminent domain proceeding with respect to the Project, the Site or any portion thereof.

ARTICLE V

SPECIAL COVENANTS

Section 5.1. Access to the Project. The Company agrees that the Issuer, the Credit Bank, the Trustee and any representative thereof shall have the right at all reasonable times to enter upon and to examine and inspect the Project or the Site. The Company further agrees that the Credit Bank, the Issuer, the Trustee and any representative thereof shall have such rights of access to the Project and the Site as may be reasonably necessary to cause the Project to be completed and to cause the proper maintenance of the Project and in the event of failure by the Company to perform its obligations under this Agreement, the Reimbursement Agreement or the Security Agreement.

Section 5.2. Release and Indemnification Covenants. The Company hereby agrees to indemnify and save the Issuer, the Credit Bank, the Trustee, and their respective directors, officers, agents and employees harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on, the Project or the Site by the Company, (ii) any breach or default on the part of the Company in the performance of any of its obligations under the Reimbursement Agreement or the Security Agreements, (iii) any act of negligence of the Company or of any of its agents, contractors, servants, employees or licensees with respect to the Project or the Site or (iv) the acquisition, installation, equipping, construction, reconstruction, improvement and operation of the Project, or the authorization of payment of Construction Costs, to the extent permitted by law. No indemnification shall be deemed to be made under this Section 5.2 or elsewhere in this Agreement for negligence or intentional misconduct or breach of duty under this Agreement or any of the other documents contemplated hereby by the Issuer, the Credit Bank, the Trustee, and their respective directors, officers, agents and employees.

Section 5.3. Tax-Exempt Status of the Bonds.

(a) The Company covenants that:

(i) The Company will not enter into a lease or other arrangement for use of all or any portion of the Project with any person who will be a principal user of the Project (including any person related thereto within the meaning of Section 144(a)(3) of the Code) if such lease or other arrangement would cause the dollar limitation set forth in Section 144(a)(4) of the Code to be exceeded. The Company further covenants that, with respect to any lease or arrangement for use of all or any portion of the Project with a person who will be a "principal user" of the Project (including any person related thereto within the meaning of Section 144(a)(3) of the Code) it will cause such lease or arrangement to contain a provision requiring the principal user (or person related thereto) to comply with all applicable covenants set forth in this Section 5.3.

(ii) There are no outstanding obligations issued subsequent to June 30, 1968, of any state, territory or possession of the United States, or any instrumentality or political subdivision of the foregoing or of the District of Columbia constituting "exempt small issues" within the meaning of Section 1.103-10 of the Regulations promulgated by the United States Department of the Treasury under the Code, or any applicable successor regulations, the proceeds of which have been or are to be used primarily with respect to facilities located in the boundaries of the Issuer (or in any contiguous political subdivision), and which facilities are to be used primarily by the Company (including any person related to the Company within the meaning of Section 144(a)(3) of the Code) or any other principal user of the Project (including any person related thereto within the meaning of Section 144(a)(3) of the Code).

(b)(i) The Issuer covenants that it will not take any action or permit any action on its part to be taken which would cause the interest on the Bonds to be included in the gross income of the Owners of the Bonds for purposes of federal income taxation.

(ii) The Issuer hereby elects to have the provisions of Section 144(a)(4) of the Code apply to the Bonds.

(c) The Company covenants that it shall observe and perform each of its obligations and undertakings under the Indenture, the Reimbursement Agreement, the Security Agreements and this Agreement, and cooperate with the Issuer, the Credit

Bank and Trustee in any reasonable manner required to enable the Issuer, the Credit Bank and Trustee to meet their obligations hereunder and thereunder.

(d) The Company further covenants and agrees, so long as the Bonds are outstanding, that (i) it will not take, or fail to take, any action which would constitute a default by the Company under the Reimbursement Agreement, the Security Agreements or this Agreement, or would or could cause the Issuer or Trustee to be in default hereunder or under the Indenture, (ii) it has not taken or permitted to be taken and will not take or permit to be taken any action on its part which will cause the interest on the Bonds to be included in the gross income of the Owners of the Bonds for purposes of federal income taxation, (iii) the aggregate principal amount of the Bonds plus the aggregate amount of Section 144(a)(4) capital expenditures made or to be made with respect to facilities (as described in clause (a)(i) above) during the six-year period beginning three years before the Closing Date and ending three years after the Closing Date does not exceed \$10,000,000 (or any such larger amount as may be hereafter permitted by law), and (iv) it shall not take or permit or suffer to be taken any action which will cause the \$40,000,000 limit set forth in Section 144(a)(10) of the Code to be exceeded. Without limiting the foregoing, the Company covenants that it will not direct any investment or other use of proceeds of the Bonds or any other moneys held under the Indenture which would cause the Bonds to be "arbitrage bonds" or "federally guaranteed" obligations under the Code, and further covenants that it will comply with all applicable requirements of the Code and the Regulations.

(e) Neither the Company nor the Issuer shall have violated the above covenants if the interest on the Bonds becomes taxable to a person solely because such person is a "substantial user" of the Project or a "related person" as provided by the Code. Moreover, none of the covenants and agreements herein contained shall require either the Company or the Issuer to enter an appearance or intervene in any administrative, legislative or judicial proceeding in connection with any changes in applicable laws, rules or regulations or in connection with any decisions of any court or administrative agency or other governmental body affecting the taxation of interest on the Bonds.

(f) The Company agrees to be bound by the covenants and other provisions of the Indenture applicable to it, receipt of an executed copy of which is hereby acknowledged.

ARTICLE VI

ASSIGNMENTS AND AMENDMENTS

Section 6.1. Assignment by the Issuer. Certain of the Issuer's rights under this Agreement, including the right to receive and enforce payment of the payments to be made by the Company under this Agreement, have been assigned to the Trustee pursuant to the Indenture, and the Company hereby consents to such assignment.

Section 6.2. Assignment, Selling and Leasing. The Company hereby covenants and agrees not to sell, transfer, lease or otherwise dispose of the Project or any portion thereof; provided that the foregoing shall not prohibit any sale, transfer or lease of the Project, or any portion thereof, to any person so long as (a) such transaction is expressly made subject to the lien of the Security Agreements and the transferee assumes in writing all obligations of the Company under this Agreement and the Security Agreements, (b) the Credit Bank consents thereto [The consent of the Credit Bank may not be unreasonably withheld.], and (c) the Company provides to the Issuer, the Credit Bank and the Trustee (i) an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Company under this Agreement and the Security Agreements and that such obligations and this Agreement and the Security Agreements are binding upon the transferee, and (ii) an opinion of Bond Counsel to the effect that the transfer has not adversely affected the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 6.2 will be null, void and without effect, will cause a reversion of title to the Company and will be ineffective to relieve the Company of its obligations under this Agreement. Nothing contained in this Section 6.2 shall affect any provision of any document or instrument between the Company and the Credit Bank.

The Company shall, within fifteen days after delivery thereof, furnish to the Issuer, the Credit Bank and the Trustee a true and complete copy of the agreements or other documents effectuating any such sale, transfer or lease.

Section 6.3. Amendment of this Agreement. The Company and the Issuer shall not alter, modify or cancel, or agree or consent to alter, modify for cancel, this Agreement, except pursuant to and in accordance with Article X of the Indenture.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default Defined. The following shall be "events of default" under this Agreement, and the terms "events of default" and "default" shall mean whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the Company to pay or cause to be paid pursuant to this Agreement any payment required to be paid or prepaid under Section 3.7 hereof when and as the payment becomes due and payable.

(b) Failure by the Company to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in clause (a) of this Section; provided, however, that such failure shall not constitute an event of default until actual notice of such default by registered or certified mail shall be given to the Company by the Issuer, the Credit Bank, the Trustee or the Owners of not less than 25% in aggregate principal amount of all Bonds Outstanding and the Company shall have had 30 days after receipt of such notice to correct said default or to cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within such 30-day period, or, if the nature of the default is such that it cannot be cured within the 30-day period, no event of default shall occur if the Company institutes and diligently pursues corrective action within the 30-day period and corrects or causes to be corrected such default within the next 30 days.

(c) The occurrence of an Act of Bankruptcy.

(d) Receipt by the Trustee of written notice from the Credit Bank that an event of default shall have occurred under and as defined in the Reimbursement Agreement.

(e) An event of default or default shall have occurred under and as defined in the Security Agreements.

Section 7.2. Remedies on Default. Whenever any event of default referred to in Section 7.1 hereof shall have happened, but only with the written consent of the Credit Bank if the Credit Bank is not in default under the Letter of Credit:

(a) If the Bonds are accelerated pursuant to the Indenture, the principal of the Loan together with all interest accrued thereon, shall without further action become immediately due and payable.

(b) The Issuer may take whatever action at law or in equity that may appear necessary or desirable to collect the payments due hereunder or under the Loan then due and thereafter to become due during the term of this Agreement, or enforce performance and observance of any obligation, agreement or covenant of the Company under this Agreement and the Security Agreement, and may enforce any of the rights and remedies granted to it under the Security Agreements.

Any amounts collected pursuant to action taken under this Section 7.2 shall be applied in accordance with the Indenture.

Section 7.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay in exercising or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article VII or by law, but it shall be necessary to obtain the written consent of the Credit Bank if the Credit Bank is not in default under the Letter of Credit.

Section 7.4. Agreement to Pay Attorneys' Fees and Expenses. If the Company should default under any of the provisions hereof and the Issuer, the Trustee or the Credit Bank should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or defense of any litigation brought against the Trustee, the Issuer or the Credit Bank as a result of such default by the Company or agreement on the part of the Company herein contained, the Company agrees that it will on demand therefor pay to the Issuer, the Trustee or the Credit Bank the reasonable fees of such attorneys and such other expenses so incurred by the Issuer, the Trustee or the Credit Bank.

Section 7.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party (which waiver may only be given with the written consent of the Credit Bank if the Credit Bank is not in default under the Letter of Credit), such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.6. Trustee to Exercise Issuer's Rights. Certain of the Issuer's rights and remedies under this Agreement, including the rights and remedies given to the Issuer under this Article VII have been assigned to the Trustee under the Indenture, to which assignment the Company hereby consents. Such rights and remedies shall be exercised by the Trustee as provided in the Indenture.

ARTICLE VIII

PREPAYMENTS; PURCHASE OF BONDS

Section 8.1. Option To Prepay Loan Payments in Whole or in Part. The Company shall have, and are hereby granted, the option to prepay the amounts required to be paid by the Company under Section 3.7 hereof in respect of the Bonds in whole or in part, and to direct the Trustee to redeem the Bonds in whole or in part pursuant to Section 2.06(b) of the Indenture on the Interest Payment Date selected by the Company, but not earlier than December 1, 1995. To exercise the option granted in this Section, the Company shall, not less than 45 days next preceding any Interest Payment Date on the Bonds, give written notice to the Credit Bank and the Trustee of their intention to prepay such payments in whole or in part, and if in part shall specify therein the principal amount of Bonds to be redeemed on such Interest Payment Date with the moneys received upon such prepayment. Any such prepayment shall be subject to a premium payable on the Bonds as set forth below:

<u>Redemption Date</u>	<u>Premium</u>
12/1/95 to 11/30/96	2.0%
12/1/96 to 11/30/97	1.5%
12/1/97 to 11/30/98	1.0%
12/1/98 to 11/30/99	0.5%

Upon the exercise of any such option, the Company shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption of the Bonds.

Section 8.2. Obligation to Prepay Loan Payments Upon Taxability or Acceleration. Upon a Determination of Taxability, the Company shall be obligated to prepay the payments required to be made by the Company under Section 3.7 hereof in order to effect redemption (with a premium of 3%) in whole of the Bonds affected by such Determination of Taxability pursuant to Section 2.06(a)(ii) of the Indenture.

The Company shall be obligated to prepay the payments required to be made by the Company under Section 3.7 hereof in

order to effect acceleration of the Bonds (with a premium of 3%) in whole. The Trustee shall apply the accelerated payments made by the Company as a result of such event on the earliest possible date after the giving of the required notice of redemption under the Indenture, to the redemption of Bonds.

Section 8.3. Option to Prepay Loan Payments in Whole Upon Occurrence of Certain Events. The Company shall have, and is hereby granted, the option to prepay in whole the payments required to be made under Section 3.7 hereof in order to effect redemption of the Bonds (without premium) on the Interest Payment Date selected by the Company and to cancel or terminate this Agreement if any of the following shall have occurred:

(a) the Project shall have been damaged or destroyed to such an extent that, in the judgment of the Company, (i) it cannot be reasonably restored within a period of three consecutive months to the condition thereof immediately preceding such damage or destruction, (ii) the Company is thereby prevented from carrying on its normal operations at the Project for a period of three consecutive months, or (iii) it would not be economically feasible for the Company to replace, repair, rebuild or restore the same;

(b) title in and to, or the temporary use of, all or substantially all of the Project shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person acting under governmental authority (including such a taking as, in the judgment of the Company, results in the Company being prevented thereby from carrying on its normal operations at the Project for a period of three consecutive months);

(c) as a result of any changes in the Constitution of the State or the Constitution of the United States of America or by legislative or administrative action (whether State or Federal) or by final decree, judgment, decision or order of any court or administrative body (whether State or Federal), this Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed herein;

(d) legal curtailment of the Company's use and occupancy of all or substantially all of the Project for any reason other than that set forth in subsection (b), which curtailment shall, in the judgment of the Company, prevent the Company from carrying on its normal operations at the Project for a period of three consecutive months; or

(e) this Agreement is terminated prior to its expiration for any reason other than the occurrence of an event of default.

To exercise such option, the Company (after it becomes aware of such event) (i) shall, within 90 days following the event giving rise to the Company's desire to exercise such option, deliver to the Issuer, the Credit Bank and the Trustee a certificate, executed by the Company Representative, stating (A) the event giving rise to the exercise of such option, (B) that the Company has elected to cause the Trustee to redeem all of the Bonds in accordance with the provisions of the Indenture, (C) the date upon which such redemption of Bonds is to be made, which date shall be designated by the Company but shall not be less than 30 days nor more than 45 days from the date such notice is mailed; and (ii) shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

Section 8.4. Miscellaneous Provisions Governing Prepayments; Notices Regarding Determination of Taxability.

(a) At any time the Company has authority hereunder to select or determine the date on which a redemption of Bonds will occur as a result of a payment or prepayment by the Company under this Article VIII, the Company shall not select any redemption date earlier than the earliest redemption date for which the Trustee can comply with the notice provisions of the Indenture. All redemptions in part shall be in an amount which is an integral multiple of the minimum authorized denomination of Bonds.

(b) Except as otherwise provided in Section 3.7(a) hereof with respect to acceleration, on the Business Day before the fifteenth day before any redemption date, the Company shall pay to the Trustee, for deposit in the appropriate Revenue Account of the Bond Fund, the amount of the redemption price (including the premium, if any) for the Bonds to be redeemed under the Indenture plus the accrued interest thereon to the redemption date. The Company directs the Trustee to apply such amounts paid by the Company, to the extent the Credit Bank is not in default under the Letter of Credit, to reimburse the Credit Bank for amounts drawn under the Letter of Credit to make such payments; otherwise, to apply such amounts (including premiums) to the purpose for which they are paid. The Company hereby authorizes the Trustee to draw moneys under the Letter of Credit to pay the redemption price of Bonds to be redeemed.

(c) The Company shall also pay, from funds other than moneys drawn under the Letter of Credit, all expenses of redemption and the fees and expenses of the Trustee, the Registrar and the Paying Agent to accrue until such payment and redemption of the Bonds.

(d) The Company shall give prompt written notice to the Issuer, the Credit Bank and the Trustee of its receipt of any oral or written advice from the Internal Revenue Service or a court that an event constituting a Determination of Taxability has occurred.

Promptly upon learning of an occurrence constituting a Determination of Taxability, the Trustee shall cause notice thereof to be given to the Credit Bank, the Issuer and the Bondholders in the same manner as is provided in the Indenture for giving notices of redemption.

Upon the redemption date in the case of the occurrence of a Determination of Taxability, provided there has been deposited with the Trustee the total amount as required, such amount shall constitute the total compensation due the Issuer and the Owners of the Bonds as a result of an occurrence of such Determination of Taxability, and the Company shall not be deemed to be in default hereunder by reason of the occurrence of such Determination of Taxability.

ARTICLE IX

ADMINISTRATIVE PROVISIONS

Section 9.1. Notices. All notices, requests, demands and other communications required to be given under this Loan Agreement shall (i) also be given to the Credit Bank, and (ii) be in writing or by telex and shall be deemed to be effective on receipt if (1) sent by telex or (2) mailed to the party to whom notice is to be given, by certified mail, postage prepaid and properly addressed as follows:

If to the Issuer:	City of Fort Wayne, Indiana Room 122 City-County Building One Main Street Fort Wayne, Indiana 46802 Attention: Sandra Kennedy, City-Clerk
If to the Trustee:	Lincoln National Bank and Trust Company P.O. Box 960 116 E. Berry Street Fort Wayne, Indiana 46802 Attention: Corporate Trust Department
If to the Registrar or Paying Agent:	Lincoln National Bank and Trust Company P.O. Box 960 116 E. Berry Street Fort Wayne, Indiana 46802 Attention: Corporate Trust Department

If to the Company: Ward Pattern & Engineering, Inc.
642 Growth Avenue
Fort Wayne, Indiana 46804
Attention: Vern D. Ward, President

If to the Credit Bank: Lincoln National Bank and Trust
Company
P.O. Box 960
116 E. Berry Street
Fort Wayne, Indiana 46802
Attention: Commercial Loan Department

Any person or entity listed above may, by notice given hereunder, designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 9.2. Binding Effect. This Agreement shall inure to the benefit of the Company, the Trustee, the Credit Bank and the Issuer and their respective successors and assigns, and shall be binding upon the Company and the Issuer and their respective successors and assigns.

Section 9.3. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 9.4. Further Assurances and Corrective Instruments. The Company and the Issuer agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project or the Site or for carrying out the expressed intention of this Agreement.

Section 9.5. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.6. Applicable Law. This Agreement shall be governed and construed in accordance with the laws of the State of Indiana, applicable to contracts made and performed in such State.

Section 9.7. Company and Issuer Representatives. Whenever under the provisions of this Agreement the approval of the Company or the Issuer is required, or the Company or the Issuer is required to take some action at the request of the other,

such approval of such request shall be given for the Company by the Company Representative and for the Issuer by an Issuer Representative, and any party hereto shall be authorized to rely upon any such approval or request.

Section 9.8. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions of Sections of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names by their respective duly authorized officers, all as of the day and year first above written.

CITY OF FORT WAYNE, INDIANA

By _____
W. Paul Helmke, Mayor

Attest:

Sandra Kennedy, City-Clerk

Approved as to Form and Legality:

R. David Boyer
Associate City Attorney

WARD PATTERN & ENGINEERING, INC.

By: _____
Vern D. Ward
Its: President

Attest:

Marion C. Ward
Secretary/Treasurer

[7559A/4790G]

EXHIBIT "A"

Description of Ward Pattern & Engineering, Inc. Project.

The project consists of the renovation and improvement of a building, leased by Ward Pattern & Engineering, Inc. ("Ward Pattern") from Marion C. and Vern D. Ward and located at 641 Growth Avenue, Fort Wayne, Indiana 46808, for use as a machine shop. The project further entails the acquisition of new machinery, tools and equipment for the above described machine shop, as well as the acquisition of additional new machinery, tools and equipment for a new facility for the heat treating of non-ferrous metals, which facility will be constructed on 4.5 acres, located at 7603 Opportunity Drive, Fort Wayne, Indiana 46825, with funds other than Bond proceeds.

Expenditures are projected to be as follows:

I.	Machine Shop	
	A. Acquisition of tools and equipment	\$ 615,250.00
	B. Improvements	<u>122,000.00</u>
	MACHINE SHOP TOTAL	\$ 737,250.00
II.	Heat Treating Facility.	
	A. Acquisition of machinery, tools and equipment	<u>\$ 802,250.00</u>
	HEAT TREAT TOTAL	\$ 802,250.00
III.	Issuance Costs.	<u>\$ 41,110.00</u>
IV.	Recapitulation	
	A. Machine Shop Total	\$ 737,250.00
	B. Heat Treat Total	802,250.00
	C. Issuance Costs Total	<u>41,110.00</u>
	PROJECT TOTAL	\$1,580,610.00

\$1,544,000

City of Fort Wayne, Indiana

**Economic Development Revenue Bonds,
Series 1989A
(Ward Pattern & Engineering, Inc. Project)**

**BOND PURCHASE AGREEMENT
(FOR THE PLACEMENT OF THE BONDS)**

Dated as of January 1, 1989

BOND PURCHASE AGREEMENT

\$1,544,000

City of Fort Wayne, Indiana

Economic Development Revenue Bonds,
Series 1989A

(Ward Pattern & Engineering, Inc. Project)

BOND PURCHASE AGREEMENT, dated as of January 1, 1989, by and among the City of Fort Wayne, Indiana (the "Issuer"), Ward Pattern & Engineering, Inc. (the "Company"), Lincoln National Bank and Trust Company of Fort Wayne, Indiana (the "Bank") and Indiana National Bank (the "Placement Agent").

1. Background

(a) The Company has requested that the Issuer finance the acquisition of new equipment and the renovation and improvement of a certain manufacturing facility in the City of Fort Wayne, Indiana (the "Project"), through the issuance and sale of \$1,544,000 aggregate principal amount of its Economic Development Revenue Bonds, Series 1989A (Ward Pattern & Engineering, Inc. Project) (the "Bonds").

(b) The Bonds will be issued pursuant to a ordinance (the "Bond Legislation") enacted on January 10, 1989, by the Common Council of the Issuer (the "Legislative Authority"), and will be secured under a Trust Indenture (the "Indenture"), dated as of January 1, 1989, between the Issuer and Lincoln National Bank and Trust Company of Fort Wayne, Indiana, as trustee (the "Trustee") for the holders of the Bonds (the "Bondholders"). The Bonds will be payable first from draws on an irrevocable direct-pay Letter of Credit (the "Letter of Credit") and then from the payments to be made by the Company pursuant to a Loan Agreement (the "Agreement"), dated as of January 1, 1989, between the Issuer and the Company, and secured by Security Agreements (the "Issuer Security Agreements") on the Project, pursuant to which the Issuer will loan the proceeds of the Bonds. The Issuer Security Agreements will be assigned by the Issuer to the Trustee to be held on behalf of the Bondholders. The principal of and interest on the Bonds and a 3% Taxability Premium will be secured by the Letter of Credit of the Bank, dated as of the date of initial delivery of the Bonds, in favor of the Trustee. Pursuant to a Reimbursement Agreement (the "Reimbursement Agreement") dated as of the date of issuance of the Bonds, between the Company and the Bank, the Company will agree to reimburse the Bank for any amounts drawn on the Letter of Credit. The Company's

obligations under the Reimbursement Agreement will be secured by a security agreement and mortgages, securing the Project in favor of the Bank (the "Bank Security Agreements"), which will be equivalent to but be subordinate to the interest secured by the Issuer Security Agreements (both the Issuer and the Bank Security Agreements together hereinafter referred to as the "Security Agreements"). The Issuer will not enforce its rights to the Collateral so long as the Letter of Credit is in effect and no event of default occurs due to the actions or inactions of the Bank.

(c) It is intended that the Project will conform with the provisions of the laws of the State of Indiana, including the Indiana Code, as amended (the "Act"), that the proceeds of the Bonds will be expended so that the interest on the Bonds will not be includable in gross income for the purposes of federal income taxation, and that the Placement Agent may offer the Bonds to the public without registration of any security under the Securities Act of 1933 (the "Securities Act") or qualification of any indenture under the Trust Indenture Act of 1939 (the "Trust Indenture Act").

(d) The Issuer acknowledges that the Placement Agent will not directly own the Bonds and will make a public offering of the Bonds. Such offering will be made pursuant to a Preliminary and Final Offering Circular (the "Offering Circulars"), as the same may be amended or supplemented, prepared by the Placement Agent and the Company. The Issuer has not participated in the preparation of or reviewed the Preliminary Offering Circular, and the Issuer makes no representations with respect to, and assumes no responsibility for, the accuracy or completeness of any information in the Offering Circulars.

(e) The Issuer and the Company agree that the proceeds of the sale of the Bonds, including accrued interest thereon, will provide a portion of the funds necessary to pay, as needed, certain expenses related to the issuance of the Bonds, e.g., the costs of preparing and reproducing or printing the Indenture, the Agreement, the Security Agreements, the Letter of Credit, the Reimbursement Agreement, the Bonds, the Bond Legislation and any other ordinances of the Issuer, the Offering Circulars, the expenses incurred in connection with the qualification of the Bonds under state securities laws, administrative fees, Placement Agent's fees, the fees and disbursements of Bond Counsel, of Placement Agent's Counsel, and other expenses for which payment or reimbursement is permitted under the acceptance fee, the initial fee for the Letter of Credit, fees for obtaining CUSIP numbers on the Bonds, and fees payable in respect of the Bonds to the Municipal Securities Rule-making Board.

2. Background

(a) Upon the terms and conditions and upon the basis of the representations herein set forth, the Placement Agent hereby agrees to arrange for the placement of and the Issuer hereby agrees to deliver to the Placement Agent, all (but not less than all) the \$1,544,000 aggregate principal amount of City of Fort Wayne, Indiana, Economic Development Revenue Bonds (Ward Pattern & Engineering, Inc. Project), Series 1989A (the "Bonds") to be dated January 1, 1989 (and more fully described in the Offering Circular hereinafter mentioned), at par plus placement fee, payable by the Company, of approximately \$19,300 as compensation for the placement of the Bonds.

(b) The Company shall deliver or cause to be delivered to the Placement Agent and the Issuer promptly after your acceptance hereof, copy of the Preliminary Offering Circular, dated January 1, 1989, relating to the Bonds (the "Offering Circular"), and upon completion thereof, a copy of the definitive Offering Circular, dated the date of the issuance of the Bonds, relating to the Bonds (the "Offering Circular"). The Company has authorized the use of copies of the Offering Circular, the Offering Circular and the forms of the Loan Agreement, the Indenture and the Reimbursement Agreement in connection with the placement of the Bonds. The Placement Agent agrees that it will not confirm the placement of any Bonds unless the confirmation of such placement is accompanied or preceded by the delivery of a copy of the Offering Circular or the Offering Circular.

(c) On _____, 19__, or on such earlier or later date upon which the Issuer, the Company, the Bank and the Placement Agent mutually agree (herein called the "Closing"), the Issuer will deliver or cause to be delivered to the Placement Agent or its designee at the office of Barnes & Thornburg, Fort Wayne, Indiana, or such other place upon which the Issuer, the Company, the Bank and the Placement Agent mutually agree, the Bonds in definitive form, duly executed and authenticated, together with the other documents hereinafter mentioned. The Placement Agent will accept delivery of the Bonds and pay the sale price thereof by transferring funds to the order of the Trustee in an amount equal to the purchase price therefor. The Bonds will be made available for checking and packaging not later than noon, Indianapolis time, on the business day prior to the Closing. In the event that temporary Bonds are delivered, the Issuer will deliver definitive Bonds to the Placement Agent as soon after the Closing as is reasonably possible, but in no event more than 15 days thereafter. The temporary Bonds will be made available for

checking and packaging at the above-mentioned office one business day prior to the Closing. The Bonds may be typewritten and need not have CUSIP identification numbers.

3. Issuer's Representations and Warranties

The Issuer makes the following representations and warranties:

(a) The Issuer has full legal right, power and authority (i) to adopt the Bond Legislation, (ii) to enter into this Bond Purchase Agreement, the Indenture, and the Agreement, (iii) to issue, sell and deliver the Bonds to the Placement Agent as provided herein, (iv) to loan the proceeds of the Bonds to the Company pursuant to the Agreement, and (v) to carry out and consummate all other transactions contemplated by each of the aforesaid documents, and the Issuer has, or will have prior to the Closing Date, complied with all provisions of applicable law, including the Act, in all matters relating to such transactions.

(b) The Issuer has duly authorized (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Indenture, (ii) the execution, delivery and due performance of this Bond Purchase Agreement, the Bonds, the Indenture and the Agreement, and (iii) the taking of any and all such action as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by such instruments. All consents or approvals, if any, necessary to be obtained by the Issuer in connection with the foregoing have been received, and the consents or approvals so received, if any, are still in full force and effect, except that the Issuer makes no representation regarding any approvals which might be required under the Blue Sky or securities law of any jurisdiction.

(c) The Bond Legislation has been duly adopted by the Legislative Authority and is in full force and effect. The Bond Purchase Agreement constitutes, and the Indenture, and the Agreement, when executed and delivered, will constitute legal, valid and binding obligations of the Issuer in accordance with their respective terms, except that the binding effect and enforceability thereof are subject to applicable bankruptcy, insolvency, reorganization or other similar laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by the application of general principles of equity.

(d) When duly authenticated by the Trustee and delivered to the Placement Agent at the Closing in accordance

with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will constitute legal, valid and binding special obligations of the Issuer in conformity with the laws of the State of Indiana, including the Act, will be entitled to the benefit and security of the Agreement and the Indenture, and will be enforceable in accordance with their terms, except that the binding effect and enforceability thereof are subject to applicable bankruptcy, insolvency, reorganization and other similar laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by the application of general principles of equity.

(e) Neither the adoption of the Bond Legislation, the execution and delivery of this Bond Purchase Agreement, the Bonds, the Indenture or the Agreement, nor the consummation of the transactions contemplated therein or the compliance with the provisions thereof, will, as of the date hereof, conflict with, or constitute on the part of the Issuer a violation of, or a breach of or default under, any statute, indenture, mortgage, commitment, note or other agreement or instrument to which the Issuer is a party or by which it is bound, or under any provision of the Indiana Constitution or under any existing law, rule, regulation, ordinance, resolution, charter, judgment, order or decree to which the Issuer is subject.

(f) The Issuer has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Project or the Trust Estate as defined in the Indenture.

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or served upon or, to the best knowledge of the Issuer, threatened against the Issuer, which in any way questions the powers' of the Issuer referred to in paragraph (a) above, or the validity of any proceedings taken by the Issuer in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by, or the validity or enforceability of, the Bond Legislation, the Indenture, the Agreement, the Bonds or this Bond Purchase Agreement.

(h) Any certificate relating to the Bonds signed by any official of the Issuer and delivered to the Placement Agent at or before the Closing Date shall be deemed a representation and warranty by the Issuer to the Placement Agent as to the truth of the statements therein contained.

(i) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Issuer is a bond issuer whose arbitrage certifications may not be relied on.

(j) The execution and delivery of this Placement Agency Agreement by the Issuer shall constitute a representation by the Issuer to the Company and the Placement Agent that the representations and warranties contained in this Paragraph 3 are true as of the date hereof; provided, however, that it is specifically understood and agreed that the Issuer makes no representations or warranties as to the financial position or business condition of the Company or any other party to the agreements or instruments described herein and does not represent or warrant in any respect as to any of the statements, information (financial or otherwise), action taken or to be taken, representations or certifications furnished, or to be made and furnished, by the Company or any other parties to the agreements or instruments described herein in connection with the execution and delivery of the Bonds or any such statements or information (financial or otherwise) contained in the Offering Circular.

4. Bank Representations. The Bank represents and warrants to the Issuer and the Company, and to the Placement Agent as follows:

(a) The Bank is a national banking association duly organized and validly existing under the laws of the United States and has full corporate power and authority to establish, execute and deliver the Letter of Credit and this Bond Purchase Agreement and to execute the Reimbursement Agreement and to perform its obligations thereunder and hereunder.

(b) This Bond Purchase Agreement has been duly authorized, executed and delivered by the Bank and is, and when executed and delivered by the parties thereto, the Letter of Credit and the Reimbursement Agreement each will be a legal, valid and binding obligation of the Bank enforceable in accordance with its respective terms (except as limited by applicable insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the rights of creditors generally, and to the extent that the enforceability thereof may be limited by application of general principle of equity), and the execution and delivery of this Bond Purchase Agreement, the Reimbursement Agreement and the Letter of Credit and compliance with the provisions hereof and thereof will not conflict with or constitute on the part of the Bank a breach of or default under any indenture, mortgage, deed of trust, commitment, agreement or other instrument to which the Bank is

a party or by which it is bound, or under any existing law, rule, regulation, judgment, order or decree to which the Bank or any of its property is subject. At or prior to the Closing Date, the Letter of Credit shall have been duly authorized, executed and delivered by the Bank and the Reimbursement Agreement shall have been duly authorized and executed by the Bank.

(c) The information contained in and incorporated by reference in the Appendix to the Offering Circulars with respect to the Bank is, and, as it may be amended or supplemented, at the Closing Date will be, true and correct in all material respects and the Appendix to the Offering Circulars does not, and, as may be amended or supplemented, at the Closing Date will not, contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. In addition, any amendments or supplements to the Appendix or the Offering Circulars prepared and furnished by the Bank pursuant hereto will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statement therein, in the light of the circumstances under which they were made, not misleading.

(d) There has been no material adverse change in the business, properties or financial condition of the Bank from that set forth in the Offering Circulars, as they may be amended or supplemented.

(e) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best of the knowledge of the Bank, threatened against or affecting the Bank, which would adversely affect the transactions contemplated by the Bond Purchase Agreement or the Offering Circulars, including any amendments or supplements thereto, or which, in any way, would adversely affect the validity or enforceability of the Letter of Credit, the Reimbursement Agreement or this Bond Purchase Agreement or, except as set forth in the Offering Circulars, which the Bank reasonably believes will result in any material adverse change in the condition, financial or otherwise, to the Bank.

(f) Except as may be required under the securities or blue sky laws of any jurisdiction, all consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, which are required to be obtained by the Bank for the consummation of the issuance of the Letter of Credit and the execution of the Reimbursement Agreement have been obtained.

5. Company's Representations and Warranties

The Company makes the following representations and warranties to the Issuer and the Bank:

(a) The Company is an Indiana corporation, duly organized and validly existing under the laws of the State of Indiana and duly qualified to do business in the State of Indiana, with full power to own its properties and conduct its business. The Company has full legal right, power and authority to execute and deliver this Bond Purchase Agreement, the Agreement, the Security Agreements and the Reimbursement Agreement, to provide for the operation and management of the Project, and to take any and all such action as may be required on its part to carry out, give effect to and consummate the transactions contemplated by this Bond Purchase Agreement, the Agreement, the Security Agreements, and the Reimbursement Agreement.

(b) The Company has duly authorized the execution and delivery of this Bond Purchase Agreement, the Agreement, the Security Agreements, and the Reimbursement Agreement, and the taking of all such action as may be required on the part of the Company to carry out, give effect to and consummate the transactions contemplated by each of the aforesaid documents. This Bond Purchase Agreement constitutes, and the Agreement, the Security Agreements, and the Reimbursement Agreement, when executed and delivered, will constitute legal, valid and binding obligations of the Company enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by the application of general principles of equity.

(c) The Company hereby authorizes and/or ratifies the distribution of the Offering Circulars.

(d) The information contained in the Offering Circulars, except the Appendix thereto, is, and as it may be amended or supplemented, as of the Closing Date will be, true and correct in all material respects, and the Offering Circulars do not, and, as they may be amended or supplemented, will not, at the Closing Date contain any untrue or misleading statement(s) of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. In addition, any amendments or supplements to the Offering Circulars prepared and furnished by the Company pursuant hereto

will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) Neither the execution and delivery of this Bond Purchase Agreement, the Agreement, the Security Agreements, or the Reimbursement Agreement, nor the consummation of the transactions contemplated therein or on the part of the Company a violation of, or breach of or default under, its articles of incorporation or code of regulations, or any statute, indenture, mortgage, commitment, note or other agreement or instrument to which the Company is a party or by which the Company is bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its activities or properties. All consents, approvals, authorizations and orders of governmental or regulatory authorities of the transactions contemplated by and compliance with the provisions of this Bond Purchase Agreement, the Agreement, the Security Agreements, and the Reimbursement Agreement have been obtained.

(f) Except as may be disclosed in the Offering Circulars, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best knowledge of the Company, threatened, against or affecting the Company, its legal existence, or the actions taken or contemplated to be taken by it, nor, to the best knowledge of the Company, is there any basis therefor, wherein an unfavorable decision or finding would materially adversely affect the business, financial condition or operations of the Company, or the transactions contemplated by, or the validity or enforceability of, this Bond Purchase Agreement or the Security Agreements, or which would in any way question the tax-exempt status of the interest on the Bonds.

(g) No event has occurred and no condition exists which, upon issuance of the Bonds, would constitute (or with the giving of notice or lapse of time, or both, would constitute) an Event of Default under the Agreement.

(h) The Company is not in violation of any provision of, or in default under, its articles of incorporation or code of regulations, or any statute, indenture, mortgage, commitment, note or other agreement or instrument to which it is a party or by which it is bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its activities or properties, other than violations or defaults the effect of

which do not and will not have a material adverse effect on its business, financial condition or operations, or the transactions contemplated hereby.

(i) Any certificate signed by the President or Vice President of the Company and delivered to the Placement Agent or the Issuer shall be deemed a representation and warranty by the Company to the Placement Agent and the Issuer as to the truth of the statements therein contained.

6. Covenants of the Issuer

The Issuer covenants as follows:

(a) The Issuer will observe all covenants of the Issuer in the Indenture and the Agreement and will not issue or sell any bonds or obligations other than the Bonds referred to in the Indenture, the principal of, premium, if any, and interest on which are payable in whole or in part from the loan payments or revenues derived under the Agreement.

(b) The Issuer agrees to cooperate with the Placement Agent and its counsel in endeavoring to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Placement Agent may request; provided, however, that the Issuer will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction in which it is not now so subject.

7. The Bank's Covenants and Agreements

The Bank covenants and agrees that:

(a) During the period commencing on the date hereof and ending on the latter of (i) the Closing Date or (ii) the last date of the period in which, in the reasonable judgment of the Placement Agent, delivery of the Offering Circulars as they may be amended or supplemented is necessary or desirable in connection with the original sale of the Bonds, the Bank will promptly furnish to the Placement Agent all documents filed by the Bank's holding company, Lincoln Financial Corporation, with the Securities and Exchange Commission pursuant to Section 13, 15 and 15(d) of the Securities Exchange Act of 1934, and during such period, the Bank agrees to promptly notify the Placement Agent of any material adverse development affecting the business, properties or financial condition of the Bank.

(b) If during such period as, in the reasonable judgment of the Placement Agent, delivery of the Offering Circulars as they may be amended or supplemented is necessary or desirable in connection with the distribution of the Bonds,

any event shall occur as a result of which it is necessary to amend or supplement the Offering Circulars in order to make the statements therein, in the light of the circumstances when the Offering Circulars are delivered to a purchaser, not misleading, the Bank will forthwith cooperate in the preparation and furnishing, at the expense of the Company, to the Placement Agent and to the dealers (whose names and addresses the Placement Agent will furnish to the Bank) to whom Bonds may have been sold by the Placement Agent and to any other dealers upon request, either amendments or supplements to the Offering Circulars so that the statements in the Offering Circulars as so amended or supplemented will not, in the light of the circumstances when the Offering Circulars as so amended or supplemented are delivered to a purchaser, be misleading.

(c) The Bank further covenants that it will cooperate with the Issuer and the Placement Agent at the expense of the Company including the Bank's cost for outside counsel, in endeavoring to qualify the Bonds for offer and sale under the state securities or Blue Sky laws of such jurisdictions as the Placement Agent may request; provided that the foregoing shall not require the Bank (i) to qualify as a foreign corporation in connection with such qualification in any foreign jurisdiction, (ii) to be subject to service of process in any foreign jurisdiction or, (iii) to be subject to taxation in any foreign jurisdiction.

(d) The Bank agrees to indemnify and hold the Company, its directors, officers, and employees, the Issuer, its officials and employees, the Placement Agent, the members, directors, officers and employees of the Placement Agent and each person, if any, who controls the Company or Placement Agent within the meaning of Section 15 of the Securities Act or Section 20 of the Securities Exchange Act of 1934, as amended (the "1934 Act") harmless from and against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the 1934 Act or under any other statute or common law, or otherwise, insofar as such losses, claims, damages, liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact relating to the Bank included in the Appendix to the Offering Circulars, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact relating to the Bank necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the Bank will reimburse such persons for any reasonable legal or other expenses reasonably incurred in connection with investigating, defending or preparing to defend

any such action or claim; provided, however, that the indemnity agreement contained in this subparagraph (d) with respect to the Preliminary Offering Circular shall not inure to the benefit of the Placement Agent if the person asserting any such losses, claims, damages or liabilities purchased the Bonds which are the subject thereof (or to the benefit of any person controlling the Placement Agent), if the Placement Agent failed to send or give a copy of the Final Offering Circular at or prior to the sale of such Bonds to such person and the Final Offering Circular would have materially corrected the alleged untrue statement or omission in the Preliminary Offering Circular.

In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to the proceeding paragraph, such person (the "indemnified party") shall promptly notify the Bank in writing at the address for notice set forth herein, who upon request of the indemnified party, shall retain counsel approved by the indemnified party to represent the indemnified party and any others the Bank may designate in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the Bank and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include the Bank and the indemnified party and representation of all parties by the same counsel would be inappropriate because of actual or potential differing interests between them. It is understood that the Bank shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm for all such indemnified parties, which firm shall be designated in writing by the indemnified parties. The Bank shall not be liable for any settlement of any proceeding affected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent or if there be a final judgment for the plaintiff, the Bank agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. If more than one firm of counsel separate from the Bank's counsel is employed under this paragraph, the separate firm paid for by the Bank shall be that of counsel to the Issuer (which counsel may also represent other indemnified parties hereunder), and in that event each indemnified party shall pay the fees and expenses of any additional counsel employed by it separate from the Bank's counsel.

8. Covenants of the Company

(a) The Company will furnish or cause to be furnished to the Placement Agent, upon the execution and delivery of this Bond Purchase Agreement, without charge, as many copies of the Offering Circulars as the Placement Agent may reasonably request.

(b) The Company will cooperate with the Placement Agent in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Placement Agent may request.

(c) Before amending or supplementing the Offering Circulars, the Company will furnish to the Placement Agent a copy of each such proposed amendment or supplement. No amendment or supplement to the Offering Circulars will contain material information substantially different from that contained in the Offering Circulars on the date they were issued which is unsatisfactory in form or substance to the Placement Agent.

(d) During such period as the Placement Agent believes delivery of the Offering Circulars is necessary or desirable in connection with the sale of the Bonds by the Placement Agent, if any event shall occur as a result of which it is necessary to amend or supplement the Offering Circulars in order to make the statement therein, in the light of the circumstances when the Offering Circulars are delivered to a purchaser, not misleading, the Company will notify the Placement Agent of such event and will, at the request of the Placement Agent, cooperate in the preparation of either amendments to the Offering Circulars or supplemental information so that the statements in the Offering Circulars as so amended or supplemented will not, in the light of the circumstances when the Offering Circulars are delivered to a purchaser, be misleading. Such amendment or supplement shall be prepared at the cost of the Company.

(e) The Company agrees to indemnify and hold the Issuer, its officials and employees and the Placement Agent, its members, directors, officers and employees and each person, if any, who controls the Placement Agent within the meaning of Section 15 of the Securities Act or Section 20 of the 1934 Act, and the Bank, its members, directors, officers and employees, harmless from and against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the 1934 Act, and any other statute or common law, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect

thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact included in the Offering Circulars, except the Appendix thereto and the headings "The Issuer," "The Offering," "Legal Matters" and "Tax Matters," or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the Company will reimburse such persons for any reasonable legal or other expenses reasonably incurred in connection with investigating, defending or preparing to defend any such action or claim; provided, however, that the indemnity agreement contained in this subparagraph (e) with respect to the Preliminary Offering Circular shall not inure to the benefit of the Placement Agent if the person asserting any such losses, claims, damages or liabilities purchased the Bonds which are the subject thereof (or to the benefit of any person controlling the Placement Agent), if the Placement Agent failed to send or give a copy of the Final Offering Circular at or prior to the sale of such Bonds to such person and the Final Offering Circular would have materially corrected the alleged untrue statement or omission in the Preliminary Offering Circular.

In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to the preceding paragraph, such person (the "indemnified party") shall promptly notify the Company in writing at the address for notice set forth herein, who upon request of the indemnified party to represent the indemnified party and any others the Company may designate in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the Company and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include the Company and the indemnified party and representation of all parties by the same counsel would be inappropriate because of actual or potential differing interests between them. The Company shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent or if there be a final judgment for the plaintiff, the Company agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. It is understood that the Company shall not, in connection with any

proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm for all such indemnified parties, which firm shall be designated in writing by the indemnified parties. If more than one firm of counsel separate from the Company's counsel is employed under this paragraph, the separate firm paid for by the Company shall be that of counsel to the Issuer (which counsel may also represent other indemnified parties hereunder), and in that event each indemnified party shall pay the fees and expenses of any additional counsel employed by it separate from the Company's counsel.

(f) The Company will operate and maintain the Project pursuant to the Agreement as provided in and subject to all of the terms and provisions of the Agreement and will observe all covenants of the Company in such instrument, all as contemplated in the Offering Circulars.

(g) The Company will take such action as may be reasonably requested to facilitate the timely consummation of the transactions contemplated by this Bond Purchase Agreement.

(h) The Company will notify the Placement Agent of any material adverse change in the business, properties or financial condition of the Company occurring before Closing and at such other time when, in the opinion of the Company or the Placement Agent, copies of the Offering Circulars will be required to be delivered to purchasers of the Bonds, where such change, in the judgment of the Company or the Placement Agent, would require a change in the Offering Circulars in order to make the statements therein true and not misleading. Such amendment or supplement shall be prepared at the cost of the Company.

(i) The Company will not take any action or permit any action to be taken on its behalf, or cause or permit any circumstance within its control to arise or continue, if such action would adversely affect the exclusion from gross income of the interest on the Bonds for federal income tax purposes.

9. Conditions of the Placement Agent's Obligations

The obligations of the Placement Agent hereunder shall be subject to the performance by the Issuer and the Company of their respective obligations and agreements to be performed hereunder, at or prior to the Closing Date; to the accuracy of the date hereof of the representations and warranties of the Issuer and the Company contained herein; and to the accuracy of such representations and warranties as if made on and as of the Closing Date.

The obligations of the Placement Agent hereunder are subject to the following further conditions:

(a) On or prior to the Closing Date, the Placement Agent shall have received:

(i) Opinions, dated the Closing Date and in form and substance satisfactory to the Placement Agent, of (A) James Koday, Esquire, counsel to the Company; (B) Barnes & Thornburg, Bond Counsel; (C) Barnes & Thornburg, counsel for the Placement Agent; (D) Barrett & McNagney, counsel to the Bank; and (E) Barrett & McNagney, counsel to the Trustee.

(ii) A certificate or certificates, dated the Closing Date, signed by an official of the Issuer satisfactory to the Placement Agent, to the effect that (A) each of the representations and warranties of the Issuer set forth in Section 3 hereof and in the Indenture and the Agreement is true, accurate and complete in all material respects on the Closing Date as if made on and as of the Closing Date; and (B) each of the agreements of the Issuer to be complied with and each of the obligations of the Issuer to be performed hereunder, under the Indenture and the Agreement on or prior to the Closing Date has been complied with and performed.

(iii) A certificate, dated the Closing Date, signed by a duly authorized officer of the Company satisfactory to the Placement Agent, to the effect that (A) each of the representations and warranties of the Company set forth in Section 5 hereof, the Reimbursement Agreement, the Security Agreements, and the Agreement is true, accurate and complete in all material respects on the Closing Date as if made on and as of the Closing Date; and (B) each of the agreements of the Company to be complied with and each of the obligations of the Company to be performed under this Bond Purchase Agreement, the Security Agreements, the Reimbursement Agreement, and the Agreement on or prior to the Closing Date has been complied with and performed.

(iv) A certificate of the Bank, dated the Closing Date and signed by an authorized officer of the Bank, to the effect that each of the representations and warranties of the Bank contained in Section 4 hereof are true, accurate and complete on the Closing Date as if made on and as of the Closing Date.

(v) Such additional certificates (including appropriate "no litigation" certificates), opinions, instruments or other documents as the Placement Agent or its counsel may request to evidence the truth, accuracy and completeness as of the Closing Date, of the representations and warranties of the Issuer, the Company and the Bank contained herein and the due performance and satisfaction by the Issuer and the Company at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by each of them in connection with this Bond Purchase Agreement, the Indenture, the Agreement, the Security Agreements, and the Reimbursement Agreement.

(b) Between the date hereof and the Closing Date, legislation shall not have been enacted by the Congress or be actively considered for enactment by Congress, or recommended to the Congress for passage by the President of the United States, or introduced to either house of the Congress, or a decision rendered by any court of competent jurisdiction, or the Tax Court of the United States, Treasury Department or the Internal Revenue Service, with the purpose or effect of imposing federal income taxation upon the loan payments or other income of the character derived by the Issuer under the Agreement or adversely affecting the exclusion from gross income for federal income tax purposes of the interest to be paid on the Bonds or on bonds of the general character of the Bonds.

(c) Between the date hereof and the Closing Date, legislation shall not have been enacted by the Congress or be actively considered for enactment by Congress, or recommended to the Congress for passage by the President of the United States, or introduced or favorably reported for passage to either house of the Congress, and neither a decision, order or decree of a court of competent jurisdiction, nor an order, ruling, regulation or official statement of or on behalf of the Securities and Exchange Commission shall have been rendered or made, with the purpose or effect that the issuance, offering or sale of the Bonds or any related security or obligations of the general character of the Bonds or any related security as contemplated hereby, or the execution and delivery of the Indenture or indentures similar thereto, is or would be in violation of any provision of, or is or would be subject to registration or qualification requirements under, the Securities Act or the Trust Indenture Act.

(d) Between the date hereof and the Closing Date, no action shall have been taken by the Comptroller of the Currency

or any governmental agency or court which calls into question the validity or enforceability of the Letter of Credit.

(e) No event shall have occurred or fact exist which makes untrue, incorrect or inaccurate, in any material respect as of the time the same purports to speak, any statement or information contained in the Offering Circulars, or which is not reflected in the Offering Circulars but should be reflected therein as of the time and for the purpose for which the Offering Circulars are to be used in order to make the statements and information contained therein not misleading in any material respect as of such time.

(f) None of the following shall have occurred: (i) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange or such trading shall have been suspended; (ii) a general banking moratorium shall have been declared by Federal, New York, or Indiana authorities; or (iii) a war involving the United States of America shall have been declared, or any other national or international calamity or crisis, or a financial crisis, shall have occurred, the effect of which, in the judgment of the Placement Agent, would make it impracticable to market the Bonds or would materially and adversely affect the ability of the Placement Agent to enforce contracts for the sale of the Bonds.

(g) All matters relating to this Bond Purchase Agreement, the Offering Circulars, the Bonds, the Bond Legislation, the Indenture, the Agreement, the Security Agreements, the Letter of Credit, the Reimbursement Agreement, and the consummation of the transactions contemplated by this Bond Purchase Agreement and the Offering Circulars, shall be reasonably satisfactory to and subject to the approval of the Placement Agent.

If any of the conditions specified in the preceding provisions of this Section 9 shall have not been fulfilled when and as required by this Bond Purchase Agreement, this Bond

Purchase Agreement and the Placement Agent's obligations hereunder may be terminated by the Placement Agent at, or at any time prior to, the Closing Date. Any such termination shall be without liability on the Placement Agent's part.

10. No Pecuniary Liability of Issuer

No provision, covenant, or agreement contained in this Bond Purchase Agreement, and no obligation herein imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer within the meaning of any Indiana Constitutional provision or statutory limitation or shall constitute or give rise to a pecuniary liability of the Issuer or charge against its general credit or taxing powers. In making the agreements, provisions and covenants set forth in this Bond Purchase Agreement, the Issuer has not obligated itself, except to the extent that the Issuer is authorized to act pursuant to Indiana law and except with respect to said loan payments. The Issuer and its officials shall have no monetary liability arising out of the obligations of the Issuer hereunder or in connection with any covenant, representation or warranty made by the Issuer herein, and neither the Issuer nor its officials shall be obligated to pay any amounts in connection with the transactions contemplated hereby other than from the proceeds of draws under the Letter of Credit, loan payments or moneys received from the Company.

11. Survival of Representations, Warranties, Covenants, Agreements and Indemnities

All representations, warranties, covenants and indemnities contained in this Bond Purchase Agreement, or contained in the certificates of officials, officers or directors of the Issuer, submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation by or on behalf of the Placement Agent or any person controlling the Placement Agent, and shall survive delivery of the Bonds to the Placement Agent, payment therefor by the Placement Agent on behalf of the purchasers to be identified by the Placement Agent and delivery of the Bonds to those purchasers.

12. Payment of Expenses

All expenses incident to the issuance of the Bonds (including the charges, fees and disbursements described in Section 1(e) above) are to be paid by the Company out of its own moneys or out of the proceeds of the issuance of the Bonds, or if the Bonds are not delivered to the Placement Agent as herein provided, shall be paid by the Company. The Placement Agent shall not be obligated to pay any expenses incurred in connection with the transactions contemplated by this Bond Purchase Agreement except to the extent set forth in the preceding sentence.

13. Parties in Interest

This Bond Purchase Agreement is made solely for the benefit of the Placement Agent, persons controlling the Placement Agent, the Issuer, its officials and officers, the Bank and the Company, and any other parties entitled to indemnification as provided herein, and their respective successors, and no other person, partnership, association or corporation shall acquire or have any right under or by virtue of this Bond Purchase Agreement. The term "successors" shall not include any purchaser of the Bonds from the Placement Agent merely by reason of such purchase.

14. Indemnification by Placement Agent

The Placement Agent will indemnify and hold harmless the Company, each person, if any, who controls the Company within the meaning of the Securities Act, each of its directors, and each of its officers who have signed this Bond Purchase Agreement, against any losses, claims, damages or liabilities to which the Company, or any such director, officer, or controlling person may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in this Bond Purchase Agreement, the Offering Circulars, or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such was made in this Bond Purchase Agreement, the Offering Circulars or any amendment or supplement thereto in reliance upon or in conformity with written information furnished to the Company by the Placement Agent, specifically for use in the preparation thereof; and will reimburse the Company and the Issuer and each such director, officer, or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action. This indemnity agreement will be in addition to any liability which the Placement Agent may otherwise have.

15. Notices

Any notice or other communication to be given to any party to this Bond Purchase Agreement may be given by delivering the same in writing at or by sending the same by first class, postage prepaid, mail to the respective addresses set forth below, and any such notice or other communication to be given

to the Placement Agent may be given by delivering the same in writing to or by sending the same by first class, postage prepaid mail to the address shown below:

ISSUER: City of Fort Wayne, Indiana
City-County Building
One Main Street
Fort Wayne, Indiana 46802
Attention: Sandra Kennedy,
City Clerk

COMPANY: Ward Pattern & Engineering, Inc.
642 Growth Avenue
Fort Wayne, Indiana 46808
Attention: Vern D. Ward, President

PLACEMENT AGENT: Indiana National Bank
Suite 904
One Indiana Square
Indianapolis, Indiana 46266
Attention: Stephen L. Plummer

BANK: Lincoln National Bank and Trust Company
of Fort Wayne
P.O. Box 960
116 E. Berry Street
Fort Wayne, Indiana 46802
Attention: Commercial Loan Department

TRUSTEE: Lincoln National Bank and Trust Company
of Fort Wayne
P.O. Box 960
116 E. Berry Street
Fort Wayne, Indiana 46802
Attention: Corporate Trust Department

16. Applicable Law

This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Indiana.

17. Severability

If any provision of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstance shall not have the effect of rendering the provision in

question inoperable or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

18. Counterparts

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

INDIANA NATIONAL BANK

CITY OF FORT WAYNE, INDIANA
(Issuer)

By _____
Title _____

By _____
Title _____

Approved as to Form and
Legality:

R. David Boyer
Associate City Attorney

APPROVED AS OF THE DATE FIRST
ABOVE WRITTEN:

Ward Pattern & Engineering,
Inc.

Lincoln National Bank and
Trust Company of Fort Wayne,
Indiana

By _____
Title _____

By _____
Title _____

[7729A]

DIGEST SHEET

TITLE OF ORDINANCE ORDINANCE

D-88-12-43

DEPARTMENT REQUESTING ORDINANCE ECONOMIC DEVELOPMENT

SYNOPSIS OF ORDINANCE ALLOWS THE ISSUANCE AND SALE OF \$1,544,000.00

of ECONOMIC DEVELOPMENT REVENUE BONDS FOR WARD PATTERN & ENGINEERING, INC.

FOR INDUSTRIAL DEVELOPMENT.

EFFECT OF PASSAGE Authorizes the issuance of Economic Development

Revenue Bonds/will provide an additional 14 jobs.

EFFECT OF NON-PASSAGE Project will not be built

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS) \$1,544,000.00

ASSIGNED TO COMMITTEE (PRESIDENT) _____

BILL NO. S-88-12-43

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS
REFERRED AN (ORDINANCE) (~~XXXXXXXXXX~~ RESOLUTION) AUTHORIZING THE ISSUANCE
AND SALE OF \$1,544,000.00 ECONOMIC DEVELOPMENT REVENUE BONDS OF THE
CITY OF FORT WAYNE, INDIANA, FOR THE PURPOSE OF MAKING A LOAN TO
WARD PATTERN & ENGINEERING, INC. IN ORDER TO FINANCE THE
ACQUISITION AND CONSTRUCTION OF CERTAIN ECONOMIC DEVELOPMENT
FACILITIES LOCATED IN FORT WAYNE: AUTHORIZING THE EXECUTION OF
A LOAN AGREEMENT: AUTHORIZING AN INDENTURE OF TRUST APPROPRIATE
FOR THE PROTECTION AND DISPOSITION OF THE REVENUES FROM THE LOAN
AGREEMENT: AND AUTHORIZING THE OTHER TERMS AND SALE OF SAID BONDS

HAVE HAD SAID (ORDINANCE) (~~XXXXXXXXXX~~ RESOLUTION) UNDER CONSIDERATION
AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID
(ORDINANCE) (~~RESOLUTION~~)

YES

NO

Thomas C. Henry THOMAS C. HENRY
CHAIRMAN
Mark E. GiaQuinta MARK E. GIAQUINTA
VICE CHAIRMAN
Janet G. Bradbury JANET G. BRADBURY
Donald J. Schmidt DONALD J. SCHMIDT
JAMES S. STIER

CONCURRED IN 1-3-89

Sandra E. Kennedy
Sandra E. Kennedy
City Clerk